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'EXTRA MEASURES' TO PROTECT ALFONSIN REPORTED

PY070410 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0230 GMT 7 May 85

[Excerpt] Buenos Aires, 7 May (NA) -- Interior Minister Antonio Troccoli denied tonight that the government fears an attack on President Raul Alfonsin, but admitted that "extra measures are being adopted to prevent it," such as an increase in the number of guards at the Olivos presidential residence. The interior minister described the recent acts of violence as a campaign intended to generate "a collective uneasiness, that is, to shake and undermine the spiritual tenets of a people who feel secure in the current political system."

Troccoli made these remarks in the "New Time" program, broadcast over Channel 13, during which he stated that both the extortive abduction of businessman Enrique Menotti Pescarmona and the bomb attacks against Radio Belgrano and the offices of the Integration and Development Movement and the Democratic Center Union were perpetrated by "the ultraright" through "groups that had been in charge of antisubversive repression and had turned into professional gangs with equipment and weapons." Troccoli justified his remarks by stating that these gangs "need alternative hideouts, and sustain themselves, given the fact that they have lost the official support they had in the past, with extortions, trafficking in drugs, and smuggling weapons."

POLITICIANS REACT TO ALFONSIN CONGRESS SPEECH

PY030328 Buenos Aires BUENOS AIRES HERALD in English 2 May 85 p 11

[Text] (NA) -- Opposition senators and deputies termed President Raul Alfonsin's address to Congress yesterday as wishful thinking that lacked any concrete action to overcome the country's economic crisis.

Senator Oraldo Britos (Justicialist, Rio Hondo wing) said the speech mixed "wishful thinking" with the "naked truth" about the country's crisis. The San Luis congressman added that "Alfonsin looked very worried and it seemed that even he wasn't satisfied with his address." But Britos said he agreed with Alfonsin "that those who have more should provide a greater effort in overcoming the crisis." Hopefully Alfonsin "will now look for support from all political parties to study a socio-economic plan offering solutions," he added.

-- Deputy Julio Araoz (Justicialist, Unity bloc) said Alfonsin "decreed the death of the nuclear plan" and "did not clarify the policy on petroleum contracts nor specify the type of foreign investment mentioned in a good deal of his speech."

-- Deputy Alvaro Alsogaray (Democratic Centre Union) complained the address added nothing to Alfonsin's speech in the Plaza de Mayo last Friday. "As a result we'll have to keep hoping that measures are adopted which the government will see itself forced to take given the circumstances."

-- Deputy Augusto Conte (Christian Democrat) praised the national goals set forth but complained "nothing was said about the military and its training nor about the functioning of the security apparatus, when we know that men tied to Army intelligence are responsible for the bombings of a radio station and MID and UCD party offices."

-- Senator Ricargo Leconte (Corrientes Liberal), referring to Alfonsin's economic plans, said "we'll have to wait for the measures but I harbour the founded fear that there might be an abyss between the worthy goals and the real handling of the state led by the president."

--Deputy Jose Luis Manzano (Justicialist, Rio Hondo), "We're worried about the change of words; before (the government) said it would not accept plans contrary to social justice, now it won't accept plans affecting social peace -- which can only be guaranteed through repression."

PROVINCIAL GOVERNORS OPEN LOCAL LEGISLATURES

PY031402 Buenos Aires BUENOS AIRES HERALD in English 2 May 85 p 11

[Text] (NA-DYN) -- Economic problems were the main themes of messages from provincial governors in the opening of their local legislatures yesterday, but there were political overtones in some and calls for united efforts beyond political barriers in others. Cordoba's Radical Governor Eduardo Angeloz stressed political issues and indirectly defended President Raul Alfonsin's announced war economy programme, which he said was the only one carried out seriously by a democratic government. "Nor do we still feel nostalgia for the lost Garden of Eden promised us by the rule of common sense, of moderate and prudent thinking, of a prosperous economy, all on the basis of plans perfectly worked out by laboratory technocrats which eventually ended with a return to the caves of obscurantism, repression and generalized misery," he said.

Fellow-Radical Misiones Governor Ricardo Barrios Arrechea said Argentine society was currently in a state of economic and moral decadence but "the light is at the end of the tunnel and we need the efforts and participation of all" to reverse the decadence. He said honesty was one of the main virtues of the current government in which "nobody keeps the change and there is no torture, tears or persecution."

Radical Governor Osvaldo Alvarez Guerrero of Rio Negro said the restrictions imposed this year on the system of revenue sharing with the federal government would be compensated by a "profound transformation of all the Argentine economic system."

Liberal Governor Antonio Romero Feris of Corrientes described the legislative assembly as a "beautiful republican spectacle which must nevermore be interrupted because all Argentines have learned that the price of creative freedom and pluralist democracy is the permanent vigilance of the loyal fulfillment of the national Constitution."

Justicialist Governor Ramon Saadi of Catamarca urged legislators to "discover what strategically unites us to be capable of going forward despite our differences to overcome the crisis affecting the province and guide it on the road to progress."

STATE EMBEZZLED $400 MILLION IN ITALO DEAL

PY031400 Buenos Aires BUENOS AIRES HERALD in English 2 May 85 p 11

[Text] (NA-DYN) -- The parliamentary committee probing the 1976 state purchase of the Italo-Argentina power company on Tuesday claimed the state has embezzled 400 million dollars in the operation and said it would file charges to this effect against former Economy Minister Jose Martinez de Hoz and his top aide Guillermo Klein. In a resume of its year-long probe distributed in Congress, the lower house committee said it had concluded the investigative stage of its task and would now get down to drafting a final report to be submitted to the House.

The committee said it would also file charges of sedition against several Italo officials who knew about the March 1976 coup which ousted former President Maria Estela Martinez de Peron three months before it took place and collaborated with its leaders.

Charges of perjury would also be filed against an unidentified witness who appeared before the committee, the report said. Testimony delivered by former labour union leader Juan Taccone provided details which apparently linked the disappearance of Light & Power union leader Oscar Smith with repression of labour unions by the former military regime, the report added. Taccone's testimony would be passed on to Federal Prosecutor Julio Strassera for use in the Federal Appeals Court's current public trial of the nine members of the first three military juntas on charges of human rights violations, committee Chairman Guillermo Tello Rosas said. According to Taccone, at the time of his disappearance on February 11, 1977, Smith had in his possession two letters from Italo Chairman Francisco Soldate to the members of the first military junta denouncing alleged privileges the Light & Power members, including Smith, enjoyed within the company. Taccone also told the committee Smith ordered the end of a strike against the Italo two days before his disappearnace following talks with company officials and Labour Ministry representatives, according to the report. Charges against Martinez de Hoz and Klein stemmed from testimony by three accountants as well as assessments and appraisals of the Italo's physical assets which showed they had been overvalued for the sale operation while they were declared well below their book value for tax purposes. The assessments showed the physical assets were in a state of absolencence and the greater Buenos Aires Power Company (SEGBA), which took charge of the Italo, had to make large investments to put them in proper condition, the resume said. It quoted experts as saying that Italo had failed to make genuine investments to which it was committed under an extension contract signed with the government in 1961.

GOVERNMENT TO PROBE BOLIVIAN EX-PRESIDENT'S MURDER

PY052035 Buenos Aires BUENOS AIRES HERALD in English 4 May 85 p 11

[Text] (NA-DYN) -- The Argentine Government has promised its full cooperation in efforts to clarify the assassination of the late President of Bolivia General Juan Jose Torres, who was kidnapped in the Federal Capital on June 1, 1976 and turned up dead from bullet wounds 36 hours later. Bolivian President Hernan Siles Zuazo sent a letter with Torres' widow, Emma Obleas de Torres, to President Raul Alfonsin expressing his government's concern in the case being cleared up. The case had been shelved for seven years, by the military of both countries, until a judge by the name of Gallo ordered it reopened. The case, now being tried in the Mercedes (Buenos Aires) federal court, may eventually be used by Prosecutor Strassera in the current trial against the military juntas.

HUMAN RIGHTS ACTIVIST REPORTEDLY TORTURED

PY031855 Buenos Aires BUENOS AIRES HERALD in English 3 May 85 p 11

[Text] (DYN) -- A member of a human rights group denounced yesterday that last Saturday he was kidnapped and held for 24 hours by a group of armed men, during which time he was brutally tortured and he and his familiy threatened. Adalberto Gervasio Aramayor of the Human Rignts Front (Frepede) also stated in a press conference that when he was reporting the matter to La Plata Judge Alfredo Zanucci, the judge constantly interrupted his testimony with the purpose, according to Aramayor, "of trying to confuse my statements and make me nervous." The human rights activist stated a group of men dressed in civilian clothes and travelling in a green Ford Taunus, kidnapped him from Berisso, near La Plata. At the beginning they questioned him about his activities in the human rights organization, as well as trying to make him confess to having being involved with the People's Revolutionary Army (ERP) left-wing guerrilla organization. The threats and torture became progressively worse, and the men, whom Aramayor described as "well-disciplined" and "probably" with some type of "military preparation" rather than political or of the police forces, threatened to "bury" him, him, his wife, and his son. Shortly before being released near the city of Lujan, Aramayor said the men anesthetized him and branded a swastika on his body, and he showed reporters several wounds which he claimed were made "with some sharp object."

IMPORTANT TRADE OFFICE TO BE OPENED IN HAVANA

PY061909 Paris AFP in Spanish 1559 GMT 5 May 85

[Text] La Paz, 5 May (AFP) -- Bolivia will in the near future open an important trade office in Havana. This was announced by Information Minister Mario Rueda Pena a month ago in Havana and only became known in La Paz today.

The local newspaper that published the report indicated that the Cuban press, radio, and television attached great importance to Minister Rueda Pena's announcement during his visit to Havana in the first week of April. On that occasion, the Bolivian information minister was received by Cuban Vice President Carlos Rafael Rodriguez. During their meeting, they both agreed that Nicaragua's Sandinist regime must be defended. Cuban and Bolivian officials also agreed at that time that the foreign debt problem would be less burdensome if the United States apportioned a small part of its defense expenditures to solving the critical economic situation of Latin America.

PAZ ZAMORA REPORTEDLY OUT OF PRESIDENTIAL RACE

PY061306 La Paz Cadena Panamericana in Spanish 1130 GMT 6 May 85

[Text] Reports datelined Sucre state that the Supreme Court of Justice has accepted a petition against the presidential candidacy of Jaime Paz Zamora, a candidacy that over the next few hours will be called unconstitutional. It has been stated that the president of the Republic, the president of Congress, and Jaime Paz Zamora himself, the former vice president of the Republic, will reportedly be notified of the decision today.

PANDO, VELANDE CHOSEN AS MNRI'S CANDIDATES

PY062020 La Paz Cadena Panamericana in Spanish 1700 GMT 6 May 85

[Excerpts] The official vice presidential candidate of the Nationalist Revolutionary Movement of the Left [MNRI] Marcelo Velarde, has voiced his concern over the disagreement threatening to disrupt the party's unity.

Velarde stated that disagreements have arisen owing to the hasty approval of the platform by the MNRI national leader because of the economic problems affecting the 2,000 conventioneers. Velarde stated that the nomination of Roberto Jordan Pando as the presidential candidate does not constitute the reason for the discord. He said that 90 percent of the conventioneers voted for Roberto Jordan Pando. Velarde added that the group led by Fernando Baptista Gumucio is unhappy about the outcome of the MNRI national convention. Baptista Gumucio reportedly is hoping to run as an independent candidate for the presidency of the Republic in the July elections. Velarde flatly stated that Baptista Gumucio is free to take any stand.

[Begin Velarde recording] It would be regrettable if Fernando [Baptista Gumucio] took that stand. However, he is a free man. Therefore, he has every right to do as he wants. I do not know how he will run for the MNRI. The MNRI is a party with a platform. [Words indistinct]. In the coming elections, the only MNRI that will run is the one led by our party chief and leader, Hernan Siles Zuazo. [end recording]

ELECTORAL COURT DISQUALIFIES 16 PARTIES

PY091720 Madrid EFE in Spanish 0807 GMT 4 May 85

[Text] La Paz, 4 May (EFE) -- The national Electoral Court has disqualified 16 of the 72 political parties registered to participate in the general elections scheduled for 14 July in Bolivia.

The reasons for rejecting the parties ranged from violating the Constitution, and favoring an armed struggle, to irregularities in the registration papers.

The Electoral Court has not disqualified the parties that received less than 50,000 votes in the past elections, or parties which have not paid the respective fines, in the understanding that it is up to the comptroller's office and not to the Electoral Court to demand that the fines be paid.

The Revolutionary Party of the Nationalist Left (PRIN), which is led by the veteran union leader Juan Lechin Oquendo, is among the slow payers. Among the groups disqualified are two political groupings made up by the Bolivian Communist Party and the Movement of the Revolutionary Left (MIR). Nevertheless, these parties have registered individually.

It is foreseen that at least a dozen political groups will participate in the July elections.

According to the initial polls, the conservative Nationalist Democratic Action (ADN), led by former President Hugo Banzer Suarez, and the centrist Nationalist Revolutionary Movement (MNR), led by three-time former President Victor Paz Estenssoro, are front runners.

The Bolivian left wing has eroded as a result of the unfortunate administration of the Hernan Siles Zuazo government, and its efforts to unite under a broad front for the July elections have failed owing to the enormous differences existing among them.

Despite the left wing's decline, President Siles Zuazo, the leader of the ruling Nationalist Revolutionary Movement of the Left (MNRI) today stated that the presidential ticket to be nominated by the MNRI for the July elections will be the winner.

On 4 May the ruling party will hold its convention to nominate its presidential ticket, amid disagreements that make one fear for the unity of Siles' party.

Hernan Siles' confidence in achieving a win is bolstered by the victories achieved by the Democratic and Popular Unity (UDP) in the past three general elections.

The UDP dissolved during this administration after the MIR and the Communist Party quit the executive branch, leaving the MNRI, led by Siles, to administrate alone a country which is enduring the highest inflation rate in Latin America (2,177 percent), according to ECLA sources.

Owing to this difficult perspective for the Bolivian left, the organizations led by leaders of progressive parties are continuously rejecting the holding of elections because they feel that the elections are not a solution to the nation's problems.

The Bolivian Labor Federation (COB), led by Juan Lechin Oquendo, who is also the leader of PRIN, the political party that received the fewest votes in the past elections (just 16,000 votes), a few weeks ago stated that the advance of the elections by 1 year is a way for the right to assume power.

CHARGES OF CORRUPTION MAR ELECTION CAMPAIGN

PY062348 Buenos Aires TELAM in Spanish 1756 GMT 4 May 85

[Excerpts] La Paz, 4 May (TELAM-ANSA) -- A series of scandals involving cases of corruption and fraud in government offices or union groups are today marring the electoral campaign merely 2 months before the general elections scheduled to be held on 14 July.

The cases of fraud that have been denounced range from charges that government organizations have purchased dollars at black market rates, to the theft of identity cards, and even to the purchase of a mass media company and to the possession of guns. All this is in addition to the drug trafficking and smuggling.

The Bolivian Central Bank union, supported by Central Bank executives, has refused to allow the national comptroller's office to carry out an audit after it received several charges that Central Bank employees and union leaders are involved in misappropriating funds.

The bank's attitude has, of course, increased mistrust about its activities, which apparently are not as correct as they should be.

Citizen's suspicions increased even more after a government official, who refused to identify himself, charged that the Central Bank of Bolivia had purchased dollars on the black market, where U.S. currency is bought at a rate between 100 and 150 percent higher than the official rate, for the purchase of property in the interior of the country.

The situation at the national treasury is not as good as it should be either, since, according to rumors 30,000 identification cards have been stolen from it simultaneously with the opening of the electoral registries. All this is in addition to the fact that the Foreign Ministry has admitted that irregular passports have been sold for $1 million.

But corruption is not unique to the official sectors. Members of the Bolivian Government Oil Deposits (YPFB) union have been charged with purchasing a radio station in Santa Cruz and with installing a television station in Santa Cruz for a total amount of $1 million with funds that did not come from the union.

This charge is serious, because these expenses were made at the precise time that YPFB executives announced that oil will almost surely be imported in 1986. They have also complained about the lack of capital for prospecting and exploration.

COB SCORES GOVERNMENT FOR MILITARY PURCHASES

PY022348 Madrid EFE in Spanish 1526 GMT 2 May 85

[Text] La Paz, 2 May (EFE) -- The allocation of $4 million by the Bolivian Government for the purchase of clothing for Armed Forces officers and troops has provoked a protest by the labor sectors of La Paz.

The influential Bolivian Labor Federation (COB) has stated that the government has lost its sense of reality by allocating foreign exchange for the purchase of clothing for the military while the people lack food and medicine.

COB Leader Jose Justiniano has denounced President Siles Zuazo's authorizing an allocation of $4.8 million for the Bolivian military to purchase jackets, shirts, neckties, braid, gold and silver buttons, chinstraps, and other accessories for their uniforms.

The unionist gave the press a decree, which bears No 20,253 and is signed by Siles Zuazo, authorizing the purchase.

In an ironic commentary on the governmental decision, Justiniano stated that for want of bread, buttons will do. According to the calculations made by the COB, the local manufacture of the clothing and the accessories for the military would not have surpassed $500,000. The workers also criticized the purchase, authorized by the government a few days ago, of 18 French T-33 airplanes worth over $6 million.

The COB urged the government to reflect before it allocates the scant foreign exchange that enters the country to expenses that do not solve the hunger that the people are suffering owing to the economic crisis.

FACTORIES CLOSING, UNEMPLOYMENT RISING

PY012200 Madrid EFE in Spanish 0159 GMT 1 May 85

[Text] Cochabamba, 30 Apr (EFE) -- Nine factories in Cochabamba, the third largest city in Bolivia, have closed their doors and have laid off hundreds of workers, while others are about to adopt the same measures for lack of raw material.

Edgar Heredia, chairman of the Chamber of Industries of Cochabamba Department, who realeased the news, has stated that the businessmen are alarmed by the lack of resources necessary to reactivate the productive sectors.

According to Heredia, the closing of the factories has been caused by the lack of currency to purchase components and raw materials, by the continuous workers strikes which have caused considerable losses to the owners, and by the hyperinflation.

The price increase race in Bolivia has been the main problem, one which neither workers nor businessmen have been able to face.

The workers, due to the high cost of living, are demanding higher salaries, which the businessmen cannot meet because of the continuous losses caused by the constant increases in the value of the dollar, Heredia stated.

The Eastern Agricultural and Livestock Chamber [Camara Agropecuaria del Oriente -- CAO] which includes several dozen private enterprises, has released in Santa Cruz a letter warning against the danger of a generalized closing of enterprises due to the anti-patriotic policy imposed by the government against the foodstuff production industry.

The letter, addressed to President Hernan Siles Zuazo, describes the alleged actions against the foodstuffs industry, which has been affected by the lack of protection for national production, by the lack of a price policy for agricultural and livestock products in accordance with production costs, and by the government's inefficiency in granting credits and currency.

Fernando Illanes, president of the Confederation of Private Bolivian Businessmen, has reported that 35 large enterprises declared bankruptcy in 1984, and that during the first months of 1985 more than a dozen others have had to follow the same path.

The massive closing of enterprises is accompanied by a serious social problem, because it lays off thousands of workers, leaving families without daily bread.

The unemployed workers have organized a union with more than 50,000 members throughout the country. They are demonstrating in the streets and holding national congresses, but the authorities have not yet solved the serious problem due to the generalized economic crisis.

LARGE OIL, GAS RESERVES REPORTED IN LA PAZ

PY031832 Paris AFP in Spanish 1326 GMT 3 May 85

[Text] La Paz, 3 May (AFP) -- The Shell oil company has reported large oil and gas deposits in La Paz Department, according to information released here today. The Shell report is based on samples of ore and seismic data evaluated in the United States. The exact amount of the reserves will be known only after wells are drilled.

Meanwhile, Government Oil Deposits [YPFB] General Manager Juan Gonzalo Carrasco, warned that Bolivia will have to begin importing oil very soon because it does not have enough funds for prospecting and exploitation. YPFB has submitted a $1 billion budget which has been cut in half because of a lack of funds in the national treasury.

DEL VALLE DECLINES COMMENT ON REAGAN STATEMENT

PY080205 Santiago Radio Chilena in Spanish 2300 GMT 7 May 85

[By Jose Francisco Contreras]

[Excerpts] The Chilean Foreign Ministry will issue an official declaration tomorrow regarding President Reagan's statement which said that Chile and three other countries, including Cuba, are the four exceptions to the democratic wave that is presently affecting Latin America. Moreover, Chilean Foreign Minister Jaime del Valle today declined to comment on President Ronald Reagan's statement in Spain. Del Valle said that there will be no comment in this regard for the time being, but he said that possibly tomorrow the Chilean Foreign Ministry will issue a communique in which it will explain its position in this regard.

GOVERNMENT ISSUES POLITICAL TRANSITION PROGRAM

PY070317 Santiago Domestic Service in Spanish 2300 GMT 6 May 85

[Text] Government Secretary General Francisco Xavier Cuadra has disclosed the legislative program that will lead to the political transition period in keeping with the nation's Constitution. According to Cuadra, the transition period runs from 1981 to 1989. He added that the proper instructions were issued by the president to the interior minister during the swearing-in ceremony of the new cabinet on 12 February 1985 and that they were reasserted during the socioeconomic council meeting held in March. Cuadra said that in keeping with these instructions, a legislative plan has been drafted with the objective of strictly complying with the institutional development established by the Constitution in the political transition stage. Cuadra disclosed the task to be carried out during 1985:

[Begin recording] During 1985, the following bills have already been submitted to the legislative branch for their proper study: the constitutional organic law that regulates the enforcement of exceptional measures; the law that regulates the organization and functions of the Electoral Court; the law regarding the organization, operation, and powers of the national Comptroller's Office; the law regarding the basic organization of the public administration; and the political parties law. [end recording]

During 1985, the executive branch will submit the following bills to the legislative branch: the law regarding municipalities and community councils; the law on the organization and operation of regional development councils; the law on the organization and powers of the regional electoral courts; the ministries law; the law concerning the decentralization of ministries and public services; the law regarding the powers of intendants and governors; and the quorum law [ley de quorum] regarding the possession of guns, particularly in everything pertaining to amendments that must be made.

Cuadra added that during 1985 the executive branch will start studying the following laws that will be sumbitted to the legislative branch for their proper proceedings in 1986:

[Begin recording] The electoral system law; the law establishing the responsibilities and punishments for violations of Article 6 of the Constitution; the law regulating Article 8 of the Constitution on totalitarian doctrines which promote violence or undermine the family; the basic administrative proceedings law; the law regulating conflicts between administrative authorities; the law regulating legal cases against the state; the environmental protection law; and the law of the organization and attributions of the judicial branch. [end recording]

As for 1986, Cuadra noted that without detriment to the laws that the government has decided to study during this period, the executive branch has also ordered the study of several laws that will be submitted to the legislative branch, among which are the education law, the public administration personnel statute, the quorum law authorizing the government to carry out business activities, the quorum law on the death penalty, the quorum law on the radio and television regional council, the quorum law on amendments to the present publicity law and press abuses, the law regarding respect and protection of private and public life and the honor of people, and the law on movie censorship which regulates all public expressions in any artistic activity.

POWER PYLONS BOMBED JUST BEFORE PINOCHET SPEECH

PY031849 Madrid EFE in Spanish 1635 GMT 3 May 85

[Yext] Santiago, 3 May (EFE) -- A total of seven high-tension pylons of the electricity network of central Chile were destroyed by bomb explosions last night. This was reported by Jose Armendariz, director of the government-owned National Social Communications Agency. The official said that the damage totals 10 million pesos (about $60,000). The attacks started just before President Augusto Pinochet spoke to the nation over a national radio and television network on the signing of the peace and friendship treaty with Argentina, which ended the Beagle Channel dispute.

TWO UNIVERSITY STUDENTS BANISHED TO CHILOE

PY041725 Paris AFP in Spanish 0143 GMT 4 May 85

[Text] Santiago, 3 May (AFP) -- The Military Government of Chile today banished two university students charged with violating current legal resolutions and carrying out subversive activities. Luis Pino Medina and Renan Alvarez Rivera will have to serve 3 months of banishment in Chiloe, 1,500 km south of Santiago. On 30 April, the regime led by General Augusto Pinochet ordered the banishment of 12 persons who were detained by the police along with a group of 252 persons who participated in the celebrations marking the 52d founding anniversary of the Chilean Socialist Party (PSC). A week ago, the Chilean Government ordered the release of 88 detainees who were serving 5-month banishment sentences in the desolate fishing village of Pisagua, 2,100 km north of Santiago. Nevertheless, 179 persons charged with criminal and subversive activities still remain in Pisagua.

10 PERSONS PEACEFULLY OCCUPY AUSTRALIAN EMBASSY

PY071855 Santiago Domestic Service in Spanish 1730 GMT 6 May 85

[Text] A group of 10 has occupied the Australian Embassy in Santiago. According to embassy sources, two of the persons held a meeting with Ambassador William Kevin Flanagan to whom they made personal requests regarding some of their relatives. It was also stated that these persons remain on the embassy permises in an entirely peaceful manner.

CORRECTION TO MINISTER ON ARGENTINA INTEGRATION

The following correction pertains to the item headlined "Foreign Minister on Integration With Argentina," published in the 7 May Latin America DAILY REPORT, page E1, paragraph one, line one:

The pope will possibly visit Chile next year. (changing "China" to "Chile")

LEBANESE CHRISTIANS VACATE BOGOTA EMBASSY

PA072112 Hamburg DPA in Spanish 1839 GMT 7 May 85

[Text] Bogota, 7 May (DPA) -- Following 19 hours of peaceful occupation, 40 Lebanese Christians decided to vacate the Lebanese Embassy in Bogota after calling the attention of Colombia and the world to their denouncements regarding the situation in Lebanon. During a press conference, the embassy occupants said they could sum up the views of the Lebanese Christian forces in the following four points:

1. Opposition to every attempt to eliminate the physical presence of the Christian people.
2. The need to find a just solution to the crisis in Lebanon.
3. The need to reestablish democracy among national Christians.
4. The need to change the mentality inherited from the Ottomans and Arabs.

In addition, they announced that they will remain in touch with the media with regard to developments in Lebanon. The Lebanese Christians demand that their state make known the true picture of developments in southern Lebanon and Iqlim (al-Kharbub) and allow the return of all displaced persons to their homes.

M-19 ISSUES OPEN LETTER TO VENEZUELA

PA062250 Madrid EFE in Spanish 2000 GMT 6 May 85

[Text] Caracas, 6 May (EFE) -- The Colombian 19 April Movement (M-19) a guerrilla organization, has published an open letter to its sister country Venezuela, which was published by the newspaper EL NACIONAL today, in which it denies that it has committed violence in Venezuelan territory and expresses its support of ideological plurality.

In its lengthy communique, the M-19 recounts the historic process of dialogue which culminated with the signing on 24 August 1984 with the government of President Belisario Betancur of the truce agreement. It notes that the first meeting between Betancur and guerrilla Commanders Alvaro Fayad and Ivan Marino Ospina was held in Madrid, Spain, in October 1983 under the sponsorship of President Felipe Gonzalez and the Spanish democracy.

It underlines that the national dialogue permitted them to raise the right to exist as a military force in the truce, and to demonstrate that they are for peace and political confrontation and that this process must lead to the legalization of the rebel movement and to civilian activity as long as it secures peace, democracy, and social justice.

In another section, the M-19 communique notes that the Christmas and New Year's fighting were difficult moments for 1985 and affirmed that President Betancur did not want or was not able to convoke the fatherland to support the paths of peace and negotiations with the political sections and yielded to the military pressures that threaten a coup d'etat.

In its appeal to neighboring Venezuela, the M-19 states that it is aspiring to be a government and is deeply interested in strengthening the ties of brotherhood and fraternity with Venezuela, its government, and its political, social, economic, cultural, and industrial representatives. It denies the charge that it is associated with drug trafficking, although it notes that this cursed plight for our young of America will continue to exist in Latin American countries as long as the consumption by 30 million North Americans continues and increases.

To sister Venezuela, its government, to President Jaime Lusinchi, to the parliament, to all the Venezuelan democrats, we say: We are at the enormous and beautiful threshhold of Bolivarian ideals. We are for democracy in all of America. We are in favor of pluralism and mutual respect, the communique added.

ELN REJECTS TRUCE, FORMS NEW ALLIANCE

PA071342 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 7 May 85

[By Carlos Ruiz]

[Text] Bogota -- The National Liberation Army [ELN] has announced that it definitely will not seek a truce agreement with the administration of President Belisario Betancur and revealed that it has concluded an alliance with two new organizations for immediate political and military action.

The ELN admitted it is currently holding kidnap victims. It rejected the pardon which is currently under consideration by Congress and promised to take part, along with five other guerrilla organizations, in the organization and execution of a national civic strike which communist union leaders are promoting for early June.

The ELN has just held a long press conference in central Colombia in which it announced its stand on the country's political situation and stated that President Betancur has not kept (?his promises). The ELN noted that it has not departed from its policy of seizing power through force. The ELN admitted having killed Jose del Carmen Yepez, the peace negotiator in Huila; and (Silvano Mustafari Izabal) in Medellin. According to the ELN, (Mustafari Izabal) was a negotiator for employers and author of the labor counterdemands in Colombia.

A member of the ELN National Command admitted that the group is holding two cattlemen hostage but did not give their names.

Present at the press conference was a member of the National Directorate of the Revolutionary Party of the Workers, which admitted having kidnapped a drug trafficker named (Vicente Vaquero). There was also an emissary from the group called Free Fatherland, who announced that the group is conducting military propaganda operations across the country. The three groups announced an alliance between the leftist and guerrilla sectors to continue the armed struggle.

BRIEFS

OIL RESERVES, EXPLORATION PROGRAM -- Colombian Petroleum Enterprise (Ecopetrol) reported yesterday that the oil reserves at Apiay-Meta have been proven to be 55 million barrels and that a contract has been signed with a U.S. company, Bechtel, for the construction of the Zulia River-Covenas oil pipeline that will make it possible to export crude from the Cravo Norte area in Arauca. [Summary] [Bogota EL SIGLO in Spanish 12 Apr 85 pp 1, 3 PA] Mines and Energy Minister Ivan Duque Escobar reported that Ecopetrol has become the largest investor in Colombia with the approval of a $2.4-billion program for the exploration and exploitation of petroleum. Minister Duque Escobar said that the 3-year plan includes the construction of the (Cano Limon-Zulia-Ayacucho-Cobeya) oil well and a complete overhaul of the port of (Cobeya) to turn it into the top crude-exporting maritime terminal in Colombia. [Excerpt] [Bogota Emisoras CARACOL Network in Spanish 1215 GMT 2 May 85 PA]

CFP DEPUTY SHOT, KILLED IN NATIONAL CONGRESS

PA072232 Paris AFP in Spanish 2148 GMT 7 May 85

[Text] Quito, 7 May (AFP) -- Nestor Pastor Vera, alternate deputy for the Concentration of Popular Forces (CFP), was murdered this afternoon in the National Congress by his former party colleague, Julio Ayala Serra, it was confirmed by official congressional sources.

According to eyewitnesses, Ayala Serra had insulted CFP Supreme Director Averroes Bucaram, who was standing in front of the main door of the Legislative Palace. Bucaram then slapped Ayala Serra on the face. In response to this, Ayala Serra pulled out a gun, and Pastor Vera, who was accompanying Bucaram, tried to calm both men. Instead he received two bullet wounds, one of which entered his vital organs. He died a few minutes later in a hospital.

Ayala Serra was a principal legislator for the CFP during the previous administration and later joined the progovernment party of the time, the Popular Democratic Coalition (Christian Democrats). Ayala Serra was arrested by legislative guards and turned over to the police.

In an unrelated incident, an alternate deputy for the Roldosist Populist Party, German Zambrano, was kidnapped and murdered on 10 April in Guayaquil. Both of the murdered alternate deputies were from Guayaquil.

Legislator Comments

PA080340 Quito Radio Quito in Spanish 2300 GMT 7 May 85

[Text] The National Congress did not meet this afternoon due to the legislators deep concern over the death of Nestor Pastor Vera Cornejo, CEP alternate deputy who died as a result of shots fired by former legislator Julio Ayala Serra.

CFP legislator Marcelo Quiroga has indicated that he hopes these outbreaks of violence will be stopped. He also demanded actions by the government and Congress to punish those responsible for such regrettable acts.

[Begin recording] If this were an isolated incident, we could say that it happened for no specific reason. But incidents such as this one have been occurring repeatedly. The incident that occurred today with former Deputy Ayala Serra was just one of many. We in the CFP are deeply worried because apparently actions against the CFP have been steadily occurring. We are also very much concerned about the current climate of violence prevailing in the country. Everyone feels entitled to answer with gunfire, a kick, insults, blows, and arrogance. This cannot go on.

I think the national government should at the present time [words indistinct] what it will do and what we expect it to do in this regard. In the first place, (Peral Zalamea) must be taken alive, at all costs, and be made to pay for all his crimes. He not only has killed two deputies, but many other persons as well. In the second place, Ayala Serra has committed a crime in broad daylight with premeditation and in cold blood. He also must be punished severely. We expect the government to take immediate action and show the country that we will not let this climate of violence persist. We also expect the National Congress to make a pronouncement tomorrow to the executive branch [words indistinct] so that these violent actions will stop immediately. [end recording]

Legislator Vera died this afternoon at about 1800 at the Eugenio Espejo Hospital after being shot three times by Ayala Serra. Those shots had been aimed at CFP Deputy Averroes Bucaram.

Ayala Serra was detained for 2 hours at the Legislative Palace and then taken to the provisional detention center under strict security. It has been said that legislators drafted a report on the incident for the authorities. Furthermore, the CFP has issued a press bulletin rejecting and condemning the escalation of violence in the country, which has again produced a CFP victim. The CFP demanded justice so that this crime does not go unpunished. The party also demanded that the author of these shots be punished with the maximum penalty.

'ALFARO LIVES' GROUP KIDNAPS AGRARIAN OFFICIAL

PA021508 Quito Voz de Los Andes in Spanish 1130 GMT 2 May 85

[Text] After being kidnapped for 24 hours, Jose Franco Piedra, regional director of the Ecuadoran Institute of Agrarian Reform and Settlement, was released unharmed. He was kidnapped on Tuesday afternoon by an armed group that later identified itself as a member of the clandestine Alfaro Lives organization.

It was reported that the objective of the kidnapping was to call attention to delays in the implementation of the agrarian reform and to denounce the Development Bank's refusal to grant credits to small farmers and the presence of paramilitary groups in the agricultural sector.

Franco Piedera said that he was treated well by his captors.

FEBRES CORDERO ON U.S. EMBARGO OF NICARAGUA

PA071335 Quito Voz de los Andes in Spanish 1130 GMT 7 May 85

[Text] As president of Ecuador I regret measures that increase tension in Central America, Ecuadoran President Leon Febres Cordero has said, referring to the U.S. embargo of Nicaraguan foreign trade. He stressed that this situation must be handled by the two countries concerned, the United States and the Central American country, Nicaragua.

[Begin recording] What happens between the United States and Nicaragua, happens between the United States and Nicaragua, and, as a head of state, it is very delicate matter for me to avoid meddling in problems which involve the sovereignty of two countries.

As Ecuadora's president I regret any measures that increase tensions in an area where we must promote a lessening of tensions so that peace and order can be found. I am not interested in making any statements beyond that, because I have no business taking sides with either Nicaragua or the United States. The two of them will probably know how to settle their differences. My wish is that tensions ease so that they can talk and reach an understanding, because that understanding will bring peace to Central America, and peace in Central America implies peace in the continent, which is what we all want.

We get nothing by achieving peace in Ecuador when the rest of the area is in flames. We want an overall peace. We want peace in all countries so that each can seek its development goals. [end recording]

Referring to the possibility that several Latin American leaders will meet on Galapagos, the president said:

[Begin recording] The presidents should meet some place, informally, without protocol, without advisers, without telephones, without television, and without telex. They should meet like human beings to discuss the problems affecting the continent, because positive ideas and results will result from such a dialogue. I propose Galapagos, not

because I wanted to bring the meeting to Ecuador. If that is what I wanted I would have proposed the capital, Quito, but since Galapagos is a legacy of humankind, more than an Ecuadoran legacy, it seemed to me that, its geographical isolation and ideal conditions would make it the perfect place for the meeting. It is now up to the presidents to accept or reject this initiative. [end recording]

In conclusion, President Febres Cordero categorically denied that the Ecuadoran Government is going to grant political asylum to eight members of the Spanish terrorist group. Basque Fatherland and Liberty [ETA].

[Begin recording] Listen, sometimes I am the least informed in this country. I stay informed through the media. I have read a report that said that I had granted asylum to eight ETA members. I don't know anything about that. [end recording]

PRESIDENT MEETS INDONESIAN FOREIGN MINISTER

PA032043 Quito Voz de los Andes in Spanish 1130 GMT 3 May 85

[Excerpt] Yesterday, the Indonesian foreign minister who is on an official visit to Ecuador held an interesting meeting with President Leon Febres Cordero. In the brief talk with the Ecuadoran president at Government Palace, they discussed bilateral relations and the possibility of increasing trade between the two countries.

15 STATE EMPLOYEE ASSOCIATIONS FORM FRONT

PA052343 Quito Voz de los Andes in Spanish 1230 GMT 4 May 85

[Text] Leaders of state employees have announced that 15 associations of public employees and workers have formed a front to defend their interests as workers and employees. The statement was made by the employee leaders who are forming this front.

This attitude was adopted in line with constitutional guarantees, according to Manuel Riera, president of the Union of Workers of the Ecuadoran Institute of Sanitary Works. He said:

[Begin recording] This will be a front for all organized state workers for the purpose of checking the government's attacks on public workers who have joined labor unions and to demand an end to the conflicts that the government incites with some labor unions, as is happening now. We demand an end to problems such as those being faced by MEO [expansion unknown, the National Housing Board, Emprovis, and other organizations that will be facing conflicts. The objective is to jointly adopt necessary measures to defend our rights. [end recording]

BRIEFS

FIRST QUARTER BANANA EXPORTS -- The export of Ecuadoran bananas was 319,026 metric tons during the first quarter of this year. The figure for this period in 1984 was 204,017 metric tons, Mauricio Caballero, executive director of the national banana program, has reported. [Excerpt] [Quito Voz de los Andes in Spanish 1230 GMT 28 Apr 85 PA]

REPORT ON TERRORIST ACTIONS, CLASHES WITH GUARD

Bombings in Lima, Huancayo

PY021411 Lima Cadena America Television in Spanish 0345 GMT 2 May 85

[Text] Terrorist attacks which began last night continued into the predawn hours of this morning. The precincts of the Popular Christian Party and the United Left in the neighborhood of (Agustino) were bombed at 0400 and 0430 this morning, respectively. Later a bomb placed at Gate 4 of the National Stadium, where the electoral vote count is taking place, was defused; another bomb had exploded earlier.

Meanwhile, the Republican Guard thwarted an attack on the water processing plant in (Atargea). A Republican Guard unit alerted by the suspicious attitude of a young girl, arrested four individuals who were closely watching the movements of the guards in charge of plant security. These alleged terrorists are: (Mercedes Huamani), (Olga Mendoza), (Cesar Izquierdo), and (Sergio Castillo), who have been placed at the disposal of the Counterterrorist Division of the Investigative Police [Direcote]

Last night in Huancayo, the Republican Guard prevented a tragedy by defusing several bombs which had been placed at the Superstar Bingo gambling hall. The police searched the hall in response to an anonymous call. The hall was full of people at the time.

Bombs in La Libertad

PY041600 Paris AFP in Spanish 1812 GMT 3 May 85

[Text] Lima, 3 May (AFP) -- Today, the police reported that a policeman was seriously injured when a dynamite stick exploded in his face while he was trying to lower red flags placed by presumed Shining Path members on a flagpole in the parade ground in Cachicadan, Trujillo, north of Lima.

In the meantime, two campesinos were shot to death 2 days ago after being tortured by a terrorist group made up of 20 men in the Callancas village of the so-called Otuzco red zone in Trujillo, north of Lima. A sign was placed on the remains of the victims, whose documents were stolen in order to make identification difficult. The sign read: This is how informers die, a police source reported.

Agent Augusto Gaitan was seriously injured yesterday when a dynamite stick exploded in his face while he was trying to lower two red flags, bearing the hammer and the sickle, that had been placed on a flagpole in the parade grounds in Cachicadan, Otuzco District.

It was reported that the policeman was admitted to the Bethelehem Hospital in Trujillo and that he will be taken to Lima today.

Cachicadan, which is located 25 km east of Trujillo, is one of the Otuzco districts that has been declared a red zone, along with the Santiago de Chuco Province, and La Libertad Department, whose capital is Trujillo, because guerrilla commandos are operating in the area.

These actions appear to be a new withdrawal tactic. The subversives are leaving the areas under military control and those in which a state of emergency prevails. In the past 20 days the Subversive actions have escalated in the Otuzco region as shown by the attack against the La Victoria mine where a group made up of 30 Shining Path members stole 25 boxes of dynamite.

In addition, 5 days ago another commando, made up of 40 individuals, invaded the Mollobamba District, Santiago de Chuco Province, and dynamited the city hall, burning documents and furniture. No injuries have been reported by the police.

Antisubversive police patrols were immediately sent to the area, where terrorist commandos apparently have opened a new front since the La Libertad Department is not among those declared under a state of emergency.

On the other hand, Navy Commander General Vice Admiral Geronimo Cafferata has urged establishing a common front against the disturbing hordes to find a way to lead to a just and great fatherland. He said this during a speech he delivered on the occasion marking the battle fought on 2 May at the neighboring El Callao port against the Spanish naval forces.

For his part, after a military ceremony, War Minister General Julian Julia also called for national unity in fighting the insanity of terrorism, which is seeking to wreak havoc in our country.

Shining Path Members Killed

PY061520 Lima Cadena Panamericana de Television in Spanish 0230 GMT 6 May 85

[Text] Four Shining Path subversives were killed and one was captured during a clash today in Andahuaylas. The clash came about when a column of nearly 100 subversives attacked the Republican Guard post in Antasco, Andahuaylas. machine gun fire and explosives.

The subversives tried to take over the post manned by 20 guards, who suffered no casualties, according to an official report.

SANGUINETTI CALLS FOR WORK, REGIONAL INTEGRATION

PY062245 Paris AFP in Spanish 1324 GMT 6 May 85

[Text] Bella Union, 6 May (AFP) -- Uruguayan President Julio Maria Sanguinetti has called for regional integration and work as a way to overcome the economic crisis besieging the country. Sanguinetti was speaking at Bella Union, 640 km north of Montevideo. During his official visit to the town, the president urged joint efforts to defend national interests in an intelligent manner, without allowing being overcome by a paralyzing anger or expecting anyone from outside to solve our problems.

Sanguinetti also said that sovereignty is, among other things, defending the nation's production, and emphasized that freedom is the only possible path toward peaceful coexistence. No utopian approach can increase production, nor can freedom be obtained through violence, the use of force, or coercion, Sanguinetti said. The chief executive emphasized that these goals can be achieved through cooperation and respect for the opinion of others and for the decision of the people. The president concluded by calling upon bordering nations (Argentina and Brazil) for integration as a way to cope with the economic crisis.

CONGRESS DECLARES SUPREME COURT POSTS VACANT

PY071850 Montevideo Radio El Espectador Network in Spanish 1000 GMT 7 May 85

[Excerpt] After a heated debate which ended at 0100 this morning, Congress declared all Supreme Court posts vacant. The decision was made on the grounds that none of the justices were legally appointed but illegitimately designated by a de facto regime.

The Colorado Party opposed the decision but was outvoted by the Blanco Party and the Broad Front.

LUSINCHI ON U.S. EMBARGO, CONTADORA ACTIONS

PA050118 Paris AFP in Spanish 2055 GMT 4 May 85

[Text] Caracas, 4 May (AFP) -- Venezuela President Jaime Lusinchi today discarded the possibility of a meeting of Contadora Group presidents to discuss the U.S. Government's commercial embargo against Nicaragua, stating that "conditions are not right at this time." "A presidential summit cannot risk a failure, and judging by mutual (Washington and Managua) stubbornness, such a failure is predictable for the time being," Lusinchi said. However, he asserted that the Contadora Group will continue "insisting with its efforts to attain peace and peaceful coexistence."

"The worsened Central American situation, which was critical to begin with, would be further worsened by another imprudent action by either side. We are witnessing two stubborn attitudes at play," he said.

Asked about any specific action that might be adopted by the Contadora Group concerning the crisis, Lusinchi said that one must not forget the group's role as mediator, and a mediator must be "cautious and impartial."

Regarding Venezuela, he reiterated the position stated already by Foreign Minister Simon Alberto Consalvi: "We think that President Ortega's trip to Moscow and the embargo decreed by President Reagan do not contribute at all to the achievement of peace." "They are part of the same scheme we have been dealing with since the beginning," he said.

"In any case, we advocate the Contadora Group's goals, which Venezuela considers as imperative and nonnegotiable: We seek to attain peace and a peaceful coexistence among nations. We oppose all interventionist actions and advocate a pluralist democracy with all its implications regarding freedom of thought, life, organization, and action," Lusinchi concluded.

Government Communique

PA061722 Hamburg DPA in Spanish 1418 GMT 6 May 85

[Text] Caracas, 6 May (DPA) -- There is great expectation today in Venezuelan political circles over possible responses to the Venezuelan Government request that the United States and Nicaragua resume talks "with the intention of overcoming their current differences." The proposal, presented by President Jaime Lusinchi's Social Democratic government, also indicates that the Contadora Group countries should experience a reiteration of the Central American countries' goodwill and spirit of cooperation, which are essential.

It also warns that no country should move away from the sacred principles stated in the UN and OAS Charters or the laws that guide relations among states.

"The Venezuelan Government," the communique begins, "has followed with concern the course of events in the Central American crisis and in the relations among the countries directly or indirectly involved in the conflict." The government "is aware of the delicate responsibility it has assumed as a member of the Contadora Group in the search for stability, peace, and cooperation among the countries of the region, and on several occasions it has reiterated its position on the deprivation and violence the countries of the region are subjected to. Few of these countries, throughout their histories, have known peace and liberty," it adds.

The communique later adds that "we have been concerned by the U.S. Government decision to decree a trade embargo against Nicaragua. This measure globally affects the economic and social development of that country, and it particularly affects the Nicaraguan private economic sectors, which in our judgment are fundamental to the regime's mixed economy structure and ideological pluralism, which we have always supported as basic conditions in our friendly efforts in Central America."

The Venezuelan Government also considers that "President Daniel Ortega's trip to the USSR adds another serious factor to the antagonism that already exists, and it cannot be judged as an action geared toward the search for an understanding."

"These decisions set back the possibility of achieving negotiated political solutions, and, therefore, with the respect due the relations between sovereign states, the Venezuelan Government considers it a duty to ask the United States as well as Nicaragua to resume their talks with the intention of overcoming their differences and creating a climate adequate for negotiations," the document states.

The government reiterates its decision to continue participating with its proven goodwill in the Contadora peace efforts in the search for "Latin American solutions for peace and understanding, away from the East-West conflict. These already known solutions are based upon the consolidation of peace, liberty, pluralism, democracy, and the national reconciliation in Nicaragua and all the countries of the Central American region."

"The Venezuelan Government," the document adds, "agrees with many democratic governments in Latin America that it is urgent to preseve international law and that it is a priority that these laws be respected by everyone."

"No country," it adds "should move away from the principles stated in the UN and OAS Charters or from the resolutions that guide relations among states."

The Venezuelan Government declaration adds that "the implementation of the principles of the international juridical system, the peaceful solution of controversies, nonintervention, and noninterference are essential bases for coexistence among nations." "We are against," the document continues, "any form or sign of intervention and control. Venezuela, a free and democratic country, believes in these principles and considers breaking them a serious risk for the region and the world."

Finally, Venezuela reiterates its decision to continue, along with other countries of the Contadora Group, to search for peaceful solutions, and it asks the other Central American countries "to reiterate their goodwill and spirit of cooperation, which are essential."

SEPULVEDA DISCUSSES ECONOMY WITH FINNISH OFFICIAL

FL071344 Mexico City NOTIMEX in Spanish 0215 GMT 7 May 85

[Text] To date, efforts made to achieve peace in Central America have been insufficient to withstand the policy of force, foreign intervention, and increasing militarization of the area, Mexican Foreign Secretary Bernardo Sepulveda Amor acknowledged here today.

In the presence of Finnish Foreign Minister Paavo Vayrynen, who is in Mexico on an official visit, Sepulveda Amor said he viewed with great concern the increase in tensions and the risk of armed confrontation coinciding with the cessation of dialogue and negotiation and the violation of the basic norms of coexistence. He said: Nevertheless, we are confident that clearer thoughts and international political actions will win this struggle for the rule of law and peace based on mutual respect, political tolerance, and regional security.

Speaking of the recent summit of industrialized nations, held in Bonn, FRG, he underscored the fact that the traditional differences between North and South were evident, saying that to these were added a North-North split because the relative homogeneity of the Western industrialized countries and Japan is being affected by the world economic crisis. Sepulveda Amor said world trade barriers are hurting the diverse economies of European countries, some of which have become capital exporters and victims of an inoperable and unjust world financial and monetary system.

The Mexican foreign secretary also said the consequences of the problem of the Latin American foreign debt have begun to be expressed in a weakening of economic relations between that region and the participants in the Bonn summit meeting.

With regard to relations between Mexico and Finland, the Mexican foreign secretary said that the opening of new opportunities for economic cooperation between the two countries has acquired special significance.

Paavo Vayrynen, after his talks with Sepulveda Amor, said his country aspires to be independent of the discrepancies between the great powers and maintain good relations with all the world's nations. He added that, although Finland is a small nation, it has special interest in encouraging peace, security, and international justice, which policy it has pledged to support. He stressed the fact that Mexico and Finland have common borders with the most influential world powers, Mexico with the United States and Finland with the USSR. In this situation, said the visiting minister, both countries have reaffirmed their nationalism and independence with a firm nonaligned attitude that corresponds to their desire for peace and multilateral cooperation.

Finally, he expressed his deep desire for the establishment of cooperation agreements between Finland and Mexico in forestry industries, shipbuilding, metallurgy, mining, and consulting activities.

During the morning, the Finnish foreign minister laid a floral wreath and stood honor guard at the monument to the Mexican fatherland, in Chapultepec.

CUBAN OFFICIALS DISCUSS U.S., NICARAGUA

Ambassador on 'Blockade'

FL071508 Mexico City NOTIMEX in Spanish 0305 GMT 7 May 85

[Text] Mexico City, 6 May (NOTIMEX) -- Only by Latin American solidarity and political denunciations in all international forums can arrogant actions, such as the U.S. economic bl ckade of Nicaragua, be avoided. After making that statement, Cuban Ambassador to Mexico Jose Agustin Fernandez de Cosio stressed that the Cuban Government condemns this U.S. blockade because it violates the bill of rights of the UN and the OAS, to which the United States and Nicaragua belong. It also violates the principles of the General Agreement on Tariffs and Trade (GATT).

Interviewed at the airport, where he had gone to meet Cuba's fisheries minister, the Cuban diplomat said this embargo, besides being illegal, is a criminal act because it represents a strong measure taken to subdue a small nation that is struggling for democracy. Therefore, he said, the basic principles of the Latin American countries, involving sovereignty, territorial integrity, self-determination of peoples, nonintervention in internal affairs, and the peaceful solution of all differences, come into play in this problem between the United States and Nicaragua.

The Cuban fisheries minister spent a few hours in Mexico and then departed for Tokyo, Japan, where he will take a working tour. Mexican Fisheries Secretary Pedro Ojeda Paullada was also at the airport to meet him.

Director of Latin American Center

F1071410 Mexico City NOTIMEX in Spanish 2100 GMT 6 May 85

[Text] Mexico City, 6 May (NOTIMEX) -- The Reagan government is using a low-profile policy of war, which although it does not imply a direct intervention, should not be disregarded by other institutions or groups. Luis Suarez, director of the Cuban Center for Latin American Studies, who is passing through this capital, added that the United States wants to block every policy aimed at eliminating communism. [as received]

Luis Suarez rejected the possibility of an armed U.S. intervention in Nicaragua and said the Reagan's administration is discredited because it has resorted to lying. According to the Cuban official, the U.S. intention is to repeat in Nicaragua the rescue operation that it performed in Grenada. He added that one should not forget that since Grenada, the United States has intended not only to halt communism but also to destroy it.

Suarez also said the Americans believe that if Fidel Castro died, the Cuban revolution would be left unprotected, but he said that analysis is out of context. The reality in Cuba is that the people want Castro to live and in any case, there are institutions that would maintain the current situation on the island.

PEMEX TO CONTINUE OIL SALES TO NICARAGUA

FL062036 Mexico City NOTIMEX in Spanish 1644 GMT 6 May 85

[Text] Mexico City, 6 May (NOTIMEX) -- Despite the U.S. trade boycott against Nicaragua, Mexico will continue to sell crude oil to that Central American country in accordance with the San Jose Pact, PEMEX has reported. The parastatal agency said Venezuela and Mexico have continued honoring their trade agreements and, on several occasions, have provided technical assistance to Nicaragua, as they did when storage tanks were sabotaged on the Gulf of Corinth.

It pointed out that presently, hydrocarbons sales to Nicaragua have stopped until that country's financial difficulties are solved, since Nicaragua has an outstanding bill of approximately $500 million in already delivered crude.

PEMEX asserted that since monthly sales amounted to hundreds of thousands of barrels, there are no problems in supplying oil to Managua's government as long as it pays its pending bill, a measure applied to all memember countries of the San Jose Pact.

Due to the possibility that the United States might establish a land blockade against Nicaragua, PEMEX explained that its commitment is to deliver oil at a Mexican port aboard a ship supplied by the buyer, who is responsible for transporting the crude. So long as this is possible, it will continue to do so.

MAY DAY CELEBRATIONS IN PANAMA, COLON NOTED

PA030400 Panama City Televisora Nacional in Spanish 0000 GMT 2 May 85

[Excerpts] The National Council of Organized Workers, [Conato], combining the country's major labor associations, together with the National Confederation of Peasant Settlements [CONAC] and state and private employees, held a demonstration in Panama City to commemorate International Labor Day, gathering the largest crowd in recent years. The demonstration began at Porras Square and from there several thousand workers, men, women, and many youths marched toward Santa Ana Square along Central Avenue. The demonstrators carried many placards and chanted slogans through loudspeakers. The men and women participating in the march took aim at the World Bank and the IMF in particular, as well as against local private business associations which insist on introducing reforms to the existing labor code. The workers chanted slogans in defense of the labor code on behalf of the public employees who were hired under contracts and are now facing the threat of being fired in June. They chanted slogans particularly against the measures proposed by the international financial community because the workers labeled them a threat to their rights and to the gains attained by the working class during the Torrijist process. Once the demonstrators arrived at the Santa Ana Square they hung a straw figure dressed like Uncle Sam, which symbolized the IMF. The effigy had been paraded along Central Avenue. At the rally to commemorate May Day the four speakers, Vicente Chillambo, on behalf of the National Federation of Associations of Public Employees, Mauro Murillo, on behalf of the Coordinating Board of State Workers Unions, Julio Bermudez, on behalf of CONAC, and Pedro Felix Montanez, on behalf of Conato, adamantly refused to accept changes in the labor code or the IMF's economic measures. In the words of Chillambo, these measures have become an obstacle to the country's development and a threat to the state workers' job security and dignity. Julio Bermudez added that unity between peasants and workers formed a natural coalition to defend the enemies of the lower classes. In addition, Julio Bermudez scored the imposition of foreign models which do not take into account the gains achieved by the humble peasants and workers. Speaking on behalf of Conato, Pedro Montanez said that on this the 99th anniversary of the 1 May struggle to achieve an 8-hour workday and fair wages, the amendments to the labor code call for the elimination of overtime pay. Mauro Murillo said that the current government has made a commitment to private industry and is being blackmailed by the IMF. He said that the formation of a single labor federation is the approach that all workers must use. Murillo defended the state-owned enterprises by saying that eliminating them would mean forsaking the Torrijist model of a productive state. The rally ended at about noon as workers chanted slogans of unity and struggle for the workers gains. The government did not send a delegation to the May Day functions in Panama City but in Colon Jorge Marengo, deputy minister of labor and social welfare, was one of the speakers at the ceremonies. Marengo said that labor peace was a prerequisite to maintaining social peace in Panama. He stressed the workers' and the labor leaders' commitment to negotiate to reach a large number of labor agreements. The deputy minister added that the burden which results from the crisis should not fall exclusively on the shoulders of the working people and that those who have a higher capacity to withstand the sacrifices must accept their responsibility. Before the rally the workers had also marched along the streets of Colon chanting slogans defending the labor code and demanding jobs. At the public square there were several speakers, including Dionisio Carrillo on behalf of the peasants, Miguel Bush on behalf of Colon's workers, and Ricardo Monterrey on behalf of the Confederation of Workers of the Republic of Panama.

AREA FOREIGN MINISTERS DISCUSS JOINT POSITION

FL072256 Mexico City NOTIMEX in Spanish 2025 GMT 7 May 85

[By Guillermo Garcia Espinosa]

[Text] San Salvador, 7 May (NOTIMEX) -- Foreign Ministers from El Salvador, Costa Rica, Honduras, and a representative from the Guatemalan Foreign Ministry began a meeting here today to establish a joint position for the next Contadora meeting. Ministers Carlos Jose Gutierrez from Costa Rica, Edgardo Paz Barnica from Honduras, and Guatemalan Deputy Foreign Minister Mario Marroquin met with their Salvadoran counterpart Jorge Eduardo Tenorio. Salvadoran Foreign Ministry spokesman Adrian Velasco said the ministers are discussing the joint position they will adopt on verification and arms control mechanisms in Nicaragua, which has not yet been defined. The foreign ministers also will discuss the trade embargo imposed by U.S. President Ronald Reagan's government against Nicaragua. El Salvador, Costa Rica, and Honduras refused in September of 1984 to sign the peace and cooperation plan for Central America proposed by the Contadora Group. Their main objections focused on verification and control mechanisms. The technical group will explore until tomorrow the positions it will present at the Contadora meeting. The ministers will hold a press conference this afternoon.

Hold Press Conference

PA080144 San Salvador Radio Cadena YSU in Spanish 2130 GMT 7 May 85

[Press conference by Salvadoran Foreign Minister Jorge Eduardo Tenorio, Honduran Foreign Secretary Edgardo Paz Barnica, Costa Rican Foreign Minister Carlos Jose Gutierrez, and Guatemalan Deputy Foreign Minister Mario Marroquin Najera with national and international journalists at the Presidential Hotel in San Salvador; questioners unidentified -- live]

[Excerpts] [Tenorio] We are gathered here today, accompanied by the foreign ministers of Honduras and Costa Rica and the deputy foreign minister of Guatemala, following an intensive and fraternal working meeting in which we closely analyzed the Central American region's problems, our views regarding the Contadora Group's efforts, the current status of these efforts, and the next meeting to be held in Panama City from 14-16 May. Consequently, we have prepared an official declaration that will be distributed at an opportune time, that is, following this press conference. We have decided not to read it because it is lengthy; however, it states our views and conclusions, as well as the details of our analysis regarding the most important events in the area. It is important to underscore that all the Central American foreign ministers and governments represented here are immensely concerned about peace, the achievement of stability, and the strengthening of pluralist democracy in the Central American region. In addition, there prevails a conscious and concerned support for all efforts which strive to attain these important goals, as well as a deep concern about events which might represent a threat to stability and peace and an estrangement from our democratic ideals in the Central American region. As I said, these four governments, through their representatives, have analyzed all these viewpoints and signed a document; you will get a copy when this meeting concludes. Due to the short time available, I wish to assert that the Salvadoran Government is proud to be visited by such distinguished dignitaries and for San Salvador to host such fruitful meeting. We believe it marks an important moment in the process to strengthen democracy, peace, social justice, and stability in the Central American region. We will now turn over the microphone to our colleagues so that they may make statements; following this, and due to the tight agenda, excuse me, due to lack of time, we will have only a few minutes to answer questions. Please keep your questions as specific as possible.

[Paz Barnica] Good afternoon, gentlemen of the press. I only want to stress that the San Salvador meeting included the foreign ministers of Costa Rica, El Salvador, and Honduras, and the deputy foreign minister of Guatemala. The meeting was held at an opportune time for several reasons. First, the officials in charge of their respective countries' foreign policies have held this meeting at a time of crisis in Central America, and this represents a necessary instrument to stimulate the peace process. In addition, certain internal and external events have taken place which have a direct bearing on the regional crisis in Central America because they are directly related to the geopolitical situation. Likewise, we are responsible for and part of a negotiating process to attain peace, a process which we seriously and responsibly support through the Contadora Group's peace efforts. In our opinion, in the Honduran Government's opinion, the Contadora Group represents the most feasible alternative to resolve the Central American crisis, which has so many different aspects. We believe, and this belief serves as the basis for the Honduran Government's foreign policy, that the Central American crisis must be resolved using the weapons of peace, not the weapons of armed confrontation. Finally, I want to stress that soldier's day is being celebrated today in this Central American country. This is an important event because the position of the soldier in Latin America has evolved slowly. The soldier must become a stronghold to defend democracy, promote internal reconciliation, and strengthen democratic and representative institutions. Thank you.

[Tenorio] We will now answer your questions.

[Question indistinct]

[Paz Barnica] With pleasure. I believe that this is a very important topic. Negotiations to delimit the border between Honduras and El Salvador are being carried out based on an international, bilateral instrument, the General Peace Treaty of 1980. This treaty, as you know, offers two solutions. One is direct negotiations, with a deadline that expires in December 1985. If no agreement is reached through direct negotiations regarding the area of conflict, then we may resort to the International Court of Justice at The Hague, either unilaterally or by common agreement. I want to reassert that the Honduran Government has struggled and will continue to struggle as long as necessary so that this situation is resolved through peaceful means abiding by and in accordance with international law, in this case, by direct negotiations or, as a last resort, through the International Court of Justice. The Honduran Government has full confidence in the political will of President Jose Napoleon Durante's democratic government to reach comprehensive agreements without jeopardizing the dignity, sovereignty, and rights of each state through direct negotiations. It is fundamental that this goal be achieved. I did not have the opportunity to hear the statements you mentioned that were broadcast today by Radio America, a news network in Tegucigalpa. However, I issued these statements yesterday in response to a question from a Honduran journalist. Some days ago former Honduran Foreign Secretary Roberto Perdomo Paredes harshly criticized the Honduran Government and its foreign policy, saying that neither the Foreign Secretariat, the president of the Republic, or the government advisers have done anything to solve this border delimitation problem. I stated that the Honduran Government has done everything possible, but we are dealing with bilateral negotiations in which there are two parties involved that have asserted their willingness to resolve the conflict. The person making this accusation against the president of the Republic and the foreign secretary was also Honduran ambassador to the OAS in 1969. Shortly after that senseless war, the origins and consequences of which we are all aware and should not hide, given the democratic links, understanding, and identification that prevails between our two countries, he proposed that Honduras open the Pan-American Highway when this was one of the most important negotiation elements that the Honduran Government had to attain comprehensible and proper solutions with the sister Republic of El Salvador. Thank you.

[Question indistinct]

[Tenorio] Regarding the first part of the question, I would like to state that each country has its own viewpoint regarding the restrictive trade measures adopted by the United States. We made a general comment on this point in the communique that will be read after this brief press conference. However, it should be clearly understood that each government has its own viewpoint regarding the restrictive trade measures imposed, that is, decreed by the U.S. Government. Referring to the Contadora process, I must tell you that we came to the conclusion that the Contadora process should be stimulated as much as possible. It is an effort that is not only necessary but has done a lot of good for detente in the Central America region. Even though we feel that the Central American countries must be the ones to stimulate this process, we believe that the Contadora Group member countries' efforts and cooperation are vital to attaining peace and stability. The communique also makes specific statements regarding the Contadora process. In addition, our technical groups are working and closely analyzing, point by point, the agenda for our next meeting so that we may adopt specific positions and opinions to stimulate the process. There is also another important matter. We believe that the Contadora process... [rephases] the document to be subscribed should particularly emphasize matters regarding political pledges. We consider that, just as great emphasis has been placed on security matters, the same should be done for political pledges, including those already adopted because they are included in the Document of Objectives and the draft Contadora Document. I specifically refer to the pledges to establish democratic and pluralistic processes within the countries and to develop internal reconciliation processes. We analyzed that point today, particularly the second one, which emphasizes the internal reconciliation processes. We feel that countries undergoing deep internal crises, like El Salvador and others, should develop internal reconciliation processes through a dialogue.

[Question indistinct]

[Marroquin] With pleasure. Since the Contadora process began, Guatemala's position has been one of fully supporting the efforts of that mediating group. This has been proven through our participation in all of the meetings held by the Contadora Group, both on the technical and political phase. We have participated in all of the meetings with good faith to first attain detente in the Central American area, and then a durable and stable peace through the appropriate political pledges. We think that the Contadora document is the most feasible alternative because it is not only a peace treaty, but also refers to political, security, social, economic, and human rights issues. We are also concerned, and this should be clearly and specifically understood, about the verification and control mechanisms. In other words, the pledges to be assumed by our countries in the treaty should be effectively fulfilled. The proper mechanisms should be adopted to supervise this fulfillment. Regarding the Nicaraguan president's trip to socialist countries, that decision only pertains to that government and [laughs] this only serves to link it with the socialist bloc, as it has been linked since the current regime was installed.

[Question indistinct]

[Tenorio] Last year we invited Nicaragua to a meeting we held in Tegucigalpa and Nicaragua chose not to attend. The fact that representatives of four countries are meeting here today and that Nicaragua is not here is evidence [words indistinct] and everyone knows that. Nicaragua's stand is different from ours. It is possible to reconcile the differences of opinion that may exist among these four countries. It is more difficult to discuss Nicaragua's viewpoint. Nicaragua upholds its theory within the Contadora Group and we have found that if we always hold a prior meeting of the four countries represented here it is good practice and helps us with the work of the Contadora Group.

[Question indistinct]

[Unidentified speaker] I would like to answer that question. I would say that our position corresponds to the position of each of our governments. In East-West relations, we are undoubtedly with the democratic nations of the Western Hemisphere. On the other hand, there is no doubt that in the Central American crisis there is an East-West confrontation within which each one has sought its position according to his own government. Our stand is to carry forward the Contadora process and achieve, through this process, the three objectives that we have: Peace, democratization, and economic and social development. No other country has presented a similar number of initiatives, a similar number of formulas, or has devoted as much to studying the Contadora process as the countries represented here. That is why I consider as totally unjustified the charges that we are trying to hinder the Contadora process.

[Question indistinct]

[Tenorio] Recently, there was a European Economic Community mission in El Salvador that visited Honduras, Costa Rica, Nicaragua, and the Contadora countries. From here, it visited Guatemala and Mexico. The goal of that mission was to finish analyzing the work being done by the Central American and Contadora foreign ministries concerning the commitments made at the San Jose meeting, which was attended by the foreign ministers of the EEC, Spain, Portugal, and the Central American area. We talked with the EEC delegates and stated to the press that we were on the verge of signing that treaty. There has even been talk of holding a second San Jose meeting similar to the one held last year. At this meeting, we would sign a treaty or agreement that would establish the general rules regulating economic cooperation and other agreements with the EEC, as well as opening the markets and other means of cooperation to the Central American region by the countries that form part of the community. We can say that the process is under way. Of course, it is a delicate issue, it brings us much hope. There is no reason to doubt that this year we will probably formalize that treaty and have the benefits of European cooperation for the Central American area and with it Cancun, another bastion in order to solve the crisis affecting the region in the economic field. [sentence as heard] Any other questions?

[Question indistinct]

[Paz Barnica] First, I would like to say that the situation of insurgency and armed actions in Central American countries, such as El Salvador and Nicaragua, to cite two examples, are nothing more than the expression of a regional crisis. It has been historically proven, and I have said this on previous occasions, that when there is an internal conflict in one Central American country that conflict is not limited by that country's borders, but extends into and has repercussions for the other Central American states. That is the way it is and you can see this with the Nicaraguan conflict.

In the triumphant stage of the Nicaraguan revolution under the direction of the FSLN in 1979, the revolution had repercussions in Costa Rica, Honduras, and El Salvador. The Salvadoran conflict also has its repercussions in other Central American countries. On the one hand, it is supplied with logistical support from Nicaragua. It also has repercussions in Honduras because we are neighboring countries and there are sectors where elements of the Salvadoran revolutionary movement arrive at certain times. That is why the Honduran Armed Forces, with 18,000 men including the police force, must fulfill a constitutional precept to defend our national sovereignty, our territory, and our democratic system of government. We must guard three borders and two oceans. The Army, the Armed Forces, are fulfilling this through their constitutional mission.

On another matter and concerning your question, several months ago the Honduran Government officially proposed the voluntary repatriation of Salvadoran refugees to the Salvadoran Government. This was channeled through the diplomatic channels between the two countries with the cooperation of the UN High Commissioner for Refugees. Why did Honduras do this? For a very simple reason: In El Salvador, as a result of the election of President Duarte, the democratic system was reestablished and within this atmosphere it is believed that there are adequate conditions so that Salvadorans will be able to live in their fatherland. It is a voluntary procedure, according to the international commitments on this issue.

[Tenorio] Gentlemen, please excuse us. Time is short. We appreciate your being here. (?In a few moments) we will be reading a communique from the foreign ministers.

Issue Communique

PA080427 Panama City ACAN in Spanish 0303 GMT 8 May 85

["Declaration of San Salvador" issued in San Salvador on 7 May at the Salvadoran Foreign Ministry]

[Text] The foreign ministers of Costa Rica, El Salvador, and Honduras, and the deputy foreign minister of Guatemala have met in San Salvador to analyze the situation prevailing in the Central American region and jointly determine the peaceful mechanisms that are appropriate for resolving the present crisis and revising the results obtained within the peace efforts sponsored by the Contadora Group. The ministers consider that:

1. In order to permanently guarantee peace and security in the region as well as promote the well-being and development of its peoples, it is essential to strictly observe the principles and norms of international law.

2. It is fundamental for the achievement of peace in Central America to sign multilateral international instruments that will establish the norms of coexistence among the area states on the basis that the Central American countries are the ones who should sovereignly prepare the alternatives for solution with the valuable help of the Contadora Group.

3. In order for there to be a stable peace in Central America, there must be a firm political will by the area governments to support and actively participate in the efforts to improve and consolidate the authentic and democratic processes that are representative and pluralistic.

4. The complex regional economic situation, which results from internal and external factors, worsens the panorama of social and political crises and hinders the well-being of the peoples, and therefore, it is necessary to adopt measures that will resolve the above-mentioned problems.

Therefore, the ministers declare:

1. The political will of their governments to solve their differences through peaceful solutions.

2. The reiterated and firm support of their governments for the efforts of the Contadora Group, pointing out the importance that the Central American countries participate directly in the negotiations and the drafting of any agreements.

3. Under the present circumstances, and for the sake of security and the integrity of the Central American countries, it is necessary to reestablish the military balance among the states in the region, for which all must relinquish the idea of military superiority.

4. It is necessary to adopt specific measures in order to halt the arms race by establishing maximum limits on military development in the area prior to the enforcement of the commitments that may be made in the Contadora Document for Peace and Cooperation in Central America. Likewise, it is urgent to put an end to expansionist intervention which is trying to destabilize the democratic institutions in the Central American countries through violence and subversion.

5. Consequently, it is necessary to complete the negotiations of the pertinent dispositions concerning security, particularly with the verification and control mechanisms included in the drafts presented within the framework of the initiatives of the Contadora Group, including the Tegucigalpa Document of October 1984 and the statute on verification and control mechanisms on security issues of March 1985.

6. We support all measures that seek to achieve a democratic and pluralistic development in the Central American area as the most feasible means for achieving peace and social justice.

7. In order to achieve peace in Central America, it is necessary that in all countries where there have been deep divisions within society, actions must be carried out within the established legal means to achieve national reconciliation with the aim that all social sectors participate widely in the establishment and improvement of genuine democratic processes. To this effect, it is deemed of utmost importance to have the reaffirmation and strengthening of the political commitments included in the Contadora Document, as well as the urgency of improving the mechanisms of verification and norms of enforcement for its strict fulfillment.

8. We consider the progress made by economic cooperation processes that have been proposed of great importance, particularly the planned agreement with the European Community that would culminate the process which began during the San Jose conference held in September 1984.

9. It is necessary to support all actions that will promote democratic and pluralistic development in Central America and objectively evaluate the recent events that have a direct influence on the regional crisis. The Honduran foreign minister reported to his counterparts on the political situation in his country during this electoral year. The Costa Rican and Salvadoran foreign ministers and the Guatemalan deputy foreign minister expressed their hopes that this situation will be resolved in a manner that will strengthen the constitutional institutions, the development of the democratic process that began in 1980, and the general elections scheduled for November 1985. Likewise, the officials gathered here expressed their hopes that the reconciliation dialogue that began in El Salvador will reach the democratic goals it seeks, and their best wishes for the elections scheduled for October 1985 in Guatemala and February 1986 in Costa Rica. In concluding, they thank the Salvadoran foreign minister for his hospitality during the meeting.

San Salvador, 7 May 1985

[Signed] Dr Carlos Jose Gutierrez, Costa Rican foreign minister; Dr Edgardo Paz Barnica, Honduran foreign minister; Mario Marroquin Najera, Guatemalan deputy foreign minister; Dr Jorge Eduardo Tenorio, Salvadoran foreign minister

COSTA RICA

SECURITY, FOREIGN MINISTERS ON U.S. ADVISERS

PA051224 San Jose Radio Impacto in Spanish 1830 GMT 4 May 85

[Excerpts] Public Security Minister Benjamin Piza Carranza confirmed this morning that a small group of U.S. military advisers will arrive in the country on a still undetermined date. The advisers will arrive in Costa Rica following the construction of the police school at El Murcielago farm in Guanacaste. The U.S. advisers will give aid to the Costa Rican police in areas where we have little knowledge and development but which are very important for the country's security, according to the public security minister. No decision has yet been made regarding the training of policemen at El Murcielago farm, but this confirms the U.S. advisers' arrival.

In addition, Public Security Minister Piza referred to the U.S. State Department report which says that Costa Ricans are participating in Nicaragua's internal war, fighting for the Sandinist regime, and might even come to Costa Rica to provoke destabilizing actions. In addition, the public security minister referred to the U.S. State Department report which refers to economic aid that the Sandinist regime is reportedly giving to small leftist groups in Costa Rica. He said it is perfectly feasible that this aid is being given within the Marxist-Leninist sector as part of the concept of exporting the revolution.

Likewise, Foreign Minister Carlos Jose Gutierrez said that this matter pertains to the Public Security Ministry, adding that the U.S. State Department report could be discussed next Monday during the Security Council meeting.

LEGISLATORS DENOUNCE U.S. MILITARY PRESENCE

PA031603 San Jose LIBERTAD REVOLUCIONARIA in Spanish 19-25 Apr 85 p 3

[Text] A group of U.S. military men is stationed in the northern part of the country at the El Murcielago Ranch, formerly owned by Somoza, to provide military training to the Civil Police. The group is here without first obtaining the Legislative Assembly's authorization, as the political Constitution clearly requires. The ranch has been turned into a military base whose immediate purpose is to serve as a school for 100 men who would comprise a "reaction battalion" for counterinsurgent fighting.

The existence of this military base was announced this week in a newspaper. On Monday, Deputies Arnoldo Ferreto and Alvaro Montero discussed the dangerous meaning of this base at the Legislative Assembly.

Montero Mejia said that parliament did not authorize the arrival of foreign military personnel in our territory, a requirement clearly established in the Constitution. This, he said, must be added to several other irregular and illegal actions that are being committed in this regard. According to the deputy, on a number of previous occasions U.S. ships, planes, and military personnel have arrived in our country even with the aim of carrying out secret activities and the Legislative Assembly has not been consulted.

Communist Deputy Arnoldo Ferreto said that a similar situation occurred in Honduras, which the Americans have turned into a military base from which to attack Nicaragua. According to Ferreto, in Honduras they began with small military operations and constructed bases that reportedly would serve exclusively as "schools" in which to train Honduran Army members. However, the process gradually advanced and today there are modern military bases, airports, and abundant war materiel.

PRESIDENT MONGE GIVES STATE OF NATION ADDRESS

PA022219 San Jose Domestic Service in Spanish 2244 GMT 1 May 85

[State of nation address by President Luis Alberto Monge Alvarez at the Legislative Assembly in San Jose -- live]

[Text] Messrs Deputies of the Legislative Assembly; Mr President and Magistrates of the Supreme Court of Justice; Mr President and Magistrates of the Supreme Electoral Tribunal; Archbishop of San Jose and high clergy of Costa Rica; Messrs Comptrollers General of the Republic; Mr Dean of the Diplomatic Corps and other members of diplomatic representations in our country; Mr Vice President; Messrs Ministers of State; Ladies and Gentlemen:

I fulfill for the third time and with the utmost pleasure the mandate stated in Article 139, Paragraph 4, of our Constitution. This mandate allows me, through the first power of the Republic, to summarize for the people the work carried out during the past year and report on the general state of the nation. Within 12 months, and on this same date, the people will have peacefully and democratically chosen the citizen who will succeed me as president of the Republic. I trust in God that by then I will be able to say, as I do today, that we have consistently moved away from the abyss in which we found the country in May 1982. Many problems have been solved, many are being countered decisively, and many programs are under way. We hope that the new administration will continue these programs, adjusting what is necessary in order to perfect them.

Without denying errors, disregarding the long road ahead, or seeking spiritual or material self-improvement, we can consider ourselves humbly satisfied with the tasks fulfilled, the achievements attained, the goals achieved, and the hopes renewed. Not only have we started a new day, the sun has begun to shine more brightly. The concept of a new day, in other words passing from the dark night in which the country was submerged to the day, to the light, even though its materialization has cost us unmentionable sacrifices, was one of the administration's highest goals. It was achieved over time by the government's conscious, self-sacrificing, and constant efforts. This was proved by events during the past 3 years, without mentioning certain additional vicissitudes that seemed to overtake our public life at times.

However, all this seems to have been controlled, and the gravest mistakes are behind us. Today we can assert, without being cowed by the political frivolity of certain sectors, that the original concept of a new day was absolutely correct, above malice and misinterpretation. If we have begun a new day, let it be said by the enterprises which were on the edge of bankruptcy and were saved through the program for assistance to enterprises; let it be said by 44,000 Costa Ricans who were hired for new jobs; let it be said by the thousands of inhabitants in the country and the hundreds of communities that have benefited from rural roads, electricity, telephone service, and nutrition programs for children. We ask: Are we still in the dark, plagued by uncerttainty, despair, and lack of hope? Let the people answer.

This question will have an ominous resonance in the consciences of those who filled the homeland's horizon with darkness, uncertainty, discouragement, and despair. It is understandable that they will never be able to see the light. We deplore the fact that some political leaders, lacking historical foresight or political objectivity, have been unable to understand the philosophy and daily tasks of the concept "let us return to the land" developed in the 1982-86 national economic and social development programs. These politicians tried to give the concept the restricted dimension of a simple program for agricultural and livestock development. The concept represents much more than that. However, even if we agreed to analyze only this area, we can see an increase in milk, cacao, coffee, and meat production. We have developed production of pineapple, citrus, and other fruits in addition to tubers and flowers for export.

We have become self-sufficient in our rice, sorghum, white corn, and bean production. We rescued 1,000 hectares in Guanacaste which were frequently flooded during the rainy season, and we began the irrigated agriculture programs. Thus, even under this restricted concept of "let us return to the land," we are able to show great progress and important achievements.

Nevertheless, this is a historical, overall concept that encompasses our background, our current position at the end of the 20th century, and our goals for the 21st century, which is quite near. We have defended the thesis that the virtues and values which have allowed us to overcome dark and difficult situations have rural origins. These virtues and values represent the greatness and glory of our nationality. Even our exemplary democracy has rural origins; we must seek these origins and strengthen them. We must forge a new national attitude; but this does not pertain only to the government; it must include all parties, social sectors, and people. It goes beyond the temporary limits of an administration, and if those succeeding us in public posts want to benefit Costa Rica, they cannot be satisfied with perjorative commentaries against the concept of "let us return to the land" but try to surpass what we have been able to achieve at a time of crisis in order to strengthen the vital and essential origins of the Costa Rican people.

When I took office I made four commitments regarding production, social justice, ethics, and democracy. Despite the rigid limitations imposed by the crisis, reports from ministries and the autonomous agencies disclose the efforts made to increase the material and spiritual conditions of our compatriots, all of them leading to the fulfillment of these four commitments.

Regarding production, I must say that the measures for stabilization and recovery implemented by the government so far are merely the beginning of the efforts needed to retake the path to sustained and peaceful economic growth, to offer renewed prosperity, and to strengthen Costa Rican democracy. These measures are only the first phase of a more widespread strategy for economic reactivation in the medium- and long-term.

This first stage is a transitional period because the profound changes that must be made to the productive structure will take some time. We cannot run the risk, which some are recommending out of dogmatism, of taking liberating measures whose immediate effect would be to dismantle the existing productive structure. We cannot destroy what we have before taking the necessary steps to create a new productive apparatus. To do so would mean imposing new and greater sacrifices on our people.

We are laying the groundwork to create that new structure through a gradual process of changes until new investments are channeled toward a new exporting sector. But until this occurs we must maintain internal and Central American markets, expecting adequate levels to preserve the internal activity, not to generate unemployment, and prevent the bankruptcy of many enterprises.

The second phase of our strategy, which we are beginning now, is also aimed at maintaining domestic demands to guarantee the purchasing power of salaries and stimulate investments. During this second phase there will be important changes in tariff and financial aspects, particularly regarding the nationalized banks. We are also waiting for a rise in exports, especially in nontraditional export products. Since I took office my first steadfast commitment was to overcome the crisis we inherited, which was characterized mainly by the instability of the socioeconomic system and an accelerated impoverishment process at all levels of our population. If we hadn't attacked it firmly, it would have endangered the pillars of our democratic regime.

In the face of that somber outlook we set out to prepare, as an urgent task a short-term program to achieve an adequate level of stabilization and at the same time halt a decrease in production. This work is not without difficulties because achieving both objectives -- stability and growth -- generally requires the use of measures that are incompatible in themselves, and it was necessary to affect the interests of groups that benefited unjustly from the situation of disorder which had prevailed in the country. However, we can say now without fear of being wrong that we have harmonized the mechanisms and goals of stabilization with those of reactivation.

Regarding stability, the current job situation, prices, revenues, the trade balance, and the status of international payments prove this clearly. As for production, we not only halted its decline but achieved production increases that are truly exceptional. It was logical that such an increase could not be achieved based solely on external markets. The only possibility was to maintain the CACM mechanism and strengthen the local market by reactivating domestic demand, which had greatly decreased over the past few years. All this was in addition to efforts to seek new markets.

As I have told the country, during 1984 the GNP grew by 6.6 percent, one of the most significant increases of the 10 years and one of the highest in Latin America. Notwithstanding, more important than this overall increase is the composition of this growth. It must be especially stressed that the gross formation of capital, that is involving investments, grew by 25 percent. In 1982 this was negative, which indicated the flight of capital abroad. This shows that reactivation is not [words indistinct]; it has solid bases, and this is an affirmation that is reinforced if we look at the agricultural and livestock sector [1-minute passage indistinct] in 1981 and 1982, 41.1 percent and 84.2 percent, respectively.

As to prices, we followed a careful policy whose main goal is to have a reasonable balance between the producer and the consumer to maintain a normal supply of the items of the basic food basket without greatly affecting the consumer. In addition, the price policy was linked to the salary adjustment policy to preserve the workers' purchasing power. Price adjustments first underwent careful studies regarding production costs and supply conditions prevailing in the market.

The implementation of this policy, together with the other measures to stabilize the economy, yielded positive results for the Costa Rican community because the prices of the products which make up the basic food basket grew by only 8.7 percent during 1984.

But the anti-inflation policy went beyond price policies. The macroeconomic policy, especially that concerning currency exchange and credit, were designed so that their inflationary effects would be minimal. In sum, the success of the struggle against inflation permitted a gradual recovery of real income and created a climate of trust in which producers and investors could again carry out their activities normally.

This climate of trust has been complemented by several measures that contribute clearly to diversifiying production and strengthening export activities to third markets. The center for the promotion of exports and investments and the presidency's exports and investments program have carried out several activities in this direction. Evidence of this effort are a 10.8-percent increase in total exports compared with 1983 and a 23.3-percent increase in nontraditional exports to third markets.

We have worked on keeping updated, complete, and accessible information on investment areas for exports based on data concerning production conditions, financing, and markets. We have also simplified the paperwork that a businessman must process through various public offices in order to make investments or exports.

A clear sign of the new boost to business was the first international Costa Rican Fair, Fercori 1985. Thousands of people at that fair saw that we have a productive base that is in full growth and has great possibilities for diversification. Tourism is an area that has contributed significantly to making internal activity dynamic. Several measures were adopted to improve Costa Rica's image and to facilitate visitors' entry into the country. This work, which is not easy in view of the strife-torn situation in other Central American nations, has been fruitful and permits us to make optimistic predictions for the expansion of tourism.

In the area of facilitating the entrance of tourists in Costa Rica, we must stress the reduction of the departure tax for tourists and the decrease of rates in the following sectors: A) docking of cruise ships arriving on our coasts; B) lodgings; and C) electric power for hotels. To strengthen these efforts for tourism, the law of incentives for tourism development was drafted and is currently being debated by this assembly. We have also strengthened the program for improvement of infrastructures and creation of the services needed to develop tourism. More than 38 million colones was invested to expand the system of tourist centers and recreation services in various areas of the country.

Recognizing that Central America continues to be the natural market for a good part of the country's export production -- totaling 20 percent of all external sales -- forces foreign trade policy to give importance to the CACM. For this reason Costa Rica participated in high-level regional meetings in 1984 to find formulas that will gradually and progressively reactivate the integration process. Intense bilateral negotiations among the Central American countries were also held to resolve the commercial problems arising from the economic situation of those countries, which had resulted in exchange measures that affected trade relations.

In the Central American sphere it must also be stressed that after intense and complex negotiations an agreement on the Central American tariff and customs systems was approved. This agreement seeks to rationalize the protection given to productive activities in order to gradually reorient production toward export to new markets. It also seeks to improve customs administration through a change in nomenclature and legislation as well as the creation of mechanisms to handle unfair trade and special siutations due to supply and balance of payments difficulties. The approval of the new Central American tariff is an essential part of the agreement reached with the World Bank and consequently with the IMF and creditor banks.

Outside the Central American area, we must emphasize the talks with the EEC, with which an economic and trade cooperation treaty is being negotiated.

Fiscal policy was aimed fundamentally at reducing the public sector's deficit and controlling state expenses. That objective has been achieved. Diverse actions were carried out to increase tax revenues: readjustment of tax rates, increased efficiency in tax collection, and decreased tax evasion. In addition, enormous efforts were undertaken to reduce the growth of public expenditures and to increase savings in public investments. A number of measures were adopted and studies made to reorganize the state structure to improve its efficiency in accordance with the needs of the new strategy. As a result of these efforts, the fiscal deficit was just 2.5 percent of the GNP, a figure that cannot even be compared with the 9.1 percent of 1982. These figures indicate clearly that the public sector deficit in no way constitutes a destabilizing factor harmful to our growth possibilities as has been repeatedly affirmed. On the contrary, since 1983 current revenues are larger than current expenditures and the difference, which constitutes the public sector's contribution to the national savings, has been used to finance part of the capital investments.

We must stress that this government found the public sector with negative savings equivalent to minus 3.1 percent of the GNP in 1982 and was able to reverse this situation until 3.5 percent was reached in 1983 and 4.4 percent in 1984. In 1985 we hope to achieve 6.5 percent.

Regarding exchange, our objective was to eliminate the prevailing disorder and market instability which, as you well remember, forced the exchange rate to unprecedented levels. Perhaps we will never be able to estimate the magnitude of the harm that the floating of the currency caused to production, the allocation of resources, revenue, and in general the credibility of the system. In this small market, relatively small amounts of foreign exchange make the value of the currency fluctuate very perceptibly. Unscrupulous individuals took advantage of this to accumulate big profits at the cost of losses suffered by other sectors of the population.

Once we recovered control of the exchange market we carried out periodic and slight adjustments of the exchange rate to maintain the parity of our currency, conciliating the level of internal inflation with that of the main countries with which we maintain trade relations. This policy has the essential objective of guaranteeing the competitiveness of Costa Rican exports. However, the important thing that must be emphasized in exchange policy is that devaluations are now carried out by the authorities in accordance with the country's needs rather than by the speculators in accordance with their own ambitions and interests. The credit policy had the main objective of not becoming an element of additional inflationary pressure and at the same time being a factor of support for the process of economic recovery. Interest rates were increased to promote internal savings in national currency and to achieve a more rational allocation of credit resources. Nevertheless, preferential interest rates continue to be granted to priority productive activities and small producers.

Increased credits in 1984 meant clear support for private production activities without exercising excessive inflationary pressures. The amount of credit for the private sector increased in real terms by 4.2 percent during that year. In the agricultural sector production continued to show the significant recovery that began in 1983, the year when the process of deterioration that began in 1979 was halted.

The GNP share of the agrarian sector increased by 8 percent in 1984. Among the most important increases were production of coffee by 26 percent, sugarcane by 23 percent, and cocoa by 50 percent. In the case of coffee, the production of 3.3 million bales constitutes a record high level. This reflects the great effort displayed by the Ministry of Agriculture and Livestock and the Coffee Office to create awareness and train producers in the wake of the appearance of coffee rust in December 1983.

The campaign involved more than 25,000 coffee producers and was carried out with the cooperation and aid of national and international organizations as well as various sectors involved in coffee production. We have begun implementing a program to increase agrarian production that will cost $38 million and is partially financed by the IDB. With this program we will improve agrarian research and extension services and production of upgrade seeds and increase the availability and distribution of inputs.

Within our agrarian policy we have developed needed infrastructures to transfer the task of reforestation to the private sector. However, the search for credit sources with advantageous terms is an unpostponable requirement to achieve our objectives.

As for land distribution, the Agrarian Development Institute [IDA] has made great efforts to stabilize the institution economically and financially and to find new resources.

In 1984 IDA acquired 42 farms totaling more than 14,000 hectares with a 292-million colones investment. A total of 900 peasant families, which represent more than 5,000 people, benefited from the distribution of this land in various regions of the country. Association enterprises, especially cooperatives, were given priority in the distribution process.

In addition, IDA built 137 km of secondary roads, buildings, schools, communal centers, and housing projects, in keeping with our rural development program. Important projects in this field are being carried out with foreign aid. I should point out the following: agrarian reorganization and strengthening of the general capacity of association productive enterprises in the central Pacific area with EEC support; peasant settlements in El Carmen, Siquirre, that will benefit more than 200 families with Agency for International Development [AID] help; and infrastructure projects in the northern area also with AID help.

Since taking over in May 1982 we have been constantly concerned with the situatuion of the National Council for Production [CNP]. We have taken measures to reduce its deficit and reorganize its administration to make it more efficient. To that end several measures were implemented. We reached an agreement with rice producers to reduce the area of cultivation to decrease surpluses, the main source of CNP losses. That measure, in conjunction with small adjustments in basic grain prices and greater institutional efficiency, allowed us to reduce the CNP deficit by approximately 50 percent, as planned.

We must note the intense activity by the Costa Rican Electricity Institute (ICE) in the energy field. The [name indistinct] hydroelectric plant will begin operating in 1987 with a capacity of 90,000 kilowatts. The Rio Macho-Paso Panoa transmission line was constructed. This allowed the incorporation of the South Pacific area in the National Network System and the interconnection of the electrical systems of Costa Rica and Panama. Consumers are thus guaranteed service of optimum quality. Future sale of electric energy to our neighbor to the south will be facilitated as well.

After 10 years of studies and research on Costa Rica's geothermal potential we decided to build the first geothermal plant in the vicinity of Miravalles Volcano. This kind of energy is more advantageous because it is not affected by the change of seasons, as is the case with hydraulic energy during the summer.

The executive branch was forced to declare the second phase of the national plan of rural electrification a national emergency; the project was delayed by several years. It will benefit approximately 180,000 Costa Ricans with 3,200 km of lines covering the length and width of the country in 2 1/2 years.

With the construction of these projects we are contributing to the economic, social, and cultural development of rural communities leading to the settlement of peasants who will efficiently participate in agrarian activities. To a certain extent this will curb migration to urban areas, where in the end the people would not be able to fulfill their aspirations and would become social burdens.

During this period ICE accepted bids for several projects totalling 1 billion [currency not specified]. Thus, national companies were given opportunities to generate jobs for many Costa Ricans.

In the hydrocarbon field, work by the Costa Rican Oil Refinery [Recope] reflects a number of very significant actions, expecially in the face of the worldwide petroleum crisis and subsequent problems pertaining to Costa Rica's ability to pay.

We can note the active participation of ICE in drafting a hydrocarbon law that has already been approved by the Legislative Assembly's Agrarian Affairs and Natural Resources Commission. This law will establish the legal framework for (?small-scale) exploration in the country by national and international private companies.

In addition, a pilot program for coal prospecting and exploitation was advanced. Coal is the world's second most important energy source. In Talamanca Province alone the Recope has located more than 10 million tons of coal reserves. At least 30 industries in the country want to lower their costs by using coal as a new energy source. Together with other organizations of the energy sector Recope drafted a national energy plan, the first of its kind in Central America. This plan will facilitate making decisions regarding the development of new sources of nonrenewable energy.

One of the areas that has received the most attention during the past year is related to the Development Corporation, Codesa. Many comments and opinions on this subject have been heard. For this reason it is important to stress and clarify the true cause of the financial insolvency of most of Codesa's subsidiaries. This will allow us to evaluate our administration's true responsibility in this.

During the 1978-82 period many decisions were taken that reduced markedly enterprises' production capacity and made them incur huge debts. Codesa's healthy financial sources were cut off. This forced the enterprise to resort to domestic credit granted by the Central Bank through the issue of securities and outside debts. The latter factor is very important, because when devaluation occurred the subsidiaries' dollar debts became an excessive weight for many of them. In view of the state of virtual bankruptcy of many subsidiaries, when we took office we initiated a detailed study of each one and reorganized each according to its specific needs. In an attempt to give the private sector better access to the National Banking Systems' credit resources, as of December 1982 Codesa stopped using the Central Bank for financing purposes. Codesa's subsidiaries were also eliminated from the Business Assistance Program, through which more than 100 private businesses were saved. In July 1983 the Government Council made an attempt to assist Codesa, approving renegotiation of its debt with the Central Bank for 7.1 billion colones at very flexible terms. However, the renegotiation attempt failed, and Codesa's finances deteriorated further. Then Codesa was again designated a financial intermediary between the Central Bank and Costa Rica's private banks, and it was able to assign approximately 700 million colones to some 150 businesses. It assisted in the establishment of six rural projects, acting as a development bank and without retaining any of these projects' shares. Last year several subsidiaries registered substantial sales increases and improved their financial situations. In February 1984 the sale of all subsidiaries was authorized, with the exception of Fertilizers of Central America and Pacific Cements, so as to abide by the law for balancing the finances of the public sector. Following its guidelines, on 6 February the Government Council approved the transfer of many of the subsidiaries to the private sector. A high-level commission was appointed to this effect; it is currently preparing documents to sell the subsidiaries. The U.S. Government, through its Agency for International Development, has approved a donation of $140 million that will be used to cancel Codesa's debt with the Central Bank. This will free resources for use by the private sector. With the removal of this debt Codesa will redefine its role in the country's economy. We believe it is a valuable instrument for the development of various areas, including export and agroindustrial fields. In this sense Codesa must preserve its undeniable role as a promoter of strategic projects that fulfill the following requirements: A) maintaining a high rate of national growth; B) contributing substantially to the expansion of the nation's export activities; and C) being of high social content.

These new guidelines will enjoy the decisive support of the World Bank and other international credit institutions, both in the field of technical assistance and in the granting of fresh financial resources.

I would like to highlight the work by the Intervention Board of the People's Bank for Community Development, which consolidated the institution's finances and succeeded in securing its first profit in 15 years of operation, 100 million [currency not specified], to bring about a stable financial situation. The credit of the People's Bank was assigned to rural projects and development programs, more than to personal loans, although these continued to be granted to protect workers from excessive interest payments. For this the People's Bank established a revolving fund for labor-intensive production projects for use by the National Institute for Cooperative Development and the Labor Ministry. This fund included the granting of low interest loans, promotion, training, follow up, and advisory services, and it consisted of 700 million [currency not specified], 90 percent of which was used for rural projects. Seventy-five percent of those who benefited by the fund were cooperatives.

The execution of emergency programs has been under the rigorous supervision of the Emergency Commission, headed by the vice presidency of the Republic. We took action in those fields that we considered to be of priority interest.

Programs were undertaken to combat drought and its consequences in the Pacific area. We believe that these programs have been highly successful. We saved 80,000 head of cattle, 10,000 hectares of the best lands of Guanacaste were put into production by dredging 31 km of lands, and the Telpisque and Palma riverbeds were redirected and cleaned. A total of 155 communities have benefited from the opening of more than 200 water wells, approximately 250 small-scale aqueducts and 250 cattle troughs. A total of 81 million colones were invested in the infrastructure.

By means of the national rural roads plan, undertaken through the Ministry of Public Works and Transportation and private construction firms, approximately 2,348 km of roads were repaired and paved at an investment of 250 million colones. We also received a contribution of 125 million colones from communities. The following road projects have already been contracted: Dominical-San Isidor, Hiladar-Nuevo Arenal, and Piedad del Sur-San Ramon, as well as emergency projects to rebuild Perez Zeledon after the earthquake and the social and economic rehabilitation of the Valle del General area. The earthquake at Perez Zeledon promoted the declaration of another emergency there. Projects focused on the socioeconomic reconstruction of the area. The plan included the construction and reconstruction of houses, roads, community centers, and churches, as well as attention to refugees and the relocation of people. This cost 43 million colones.

With AID's help we intent to establish the bases of social and physical infrastructure at various areas of the northern zone, where there is ample potential for development. The development plan covers Upala, Uatufo, Monvicenzo, and Santa Cecilia de la Cruz cantons. The resources will be used to improve roads, acquire lands, issue land titles for approximately 10,000 hectares that will be distributed among 800 small-and medium-sized farmers, and establish rural and community development programs.

Regarding our commitment to social justice, since the beginning of this administration we have maintained that it was impossible to correct the social imbalances caused by the crisis without adequate production and export policies. We refused to be demagogic in our evaluation of the social situation that existed when we assumed power, because it would have been immoral to take advantage of the anguish prevailing at that time. In a time of crisis it is difficult to satisfy all the just demands of the working sectors, particularly the sectors on the fringe of society. However, we have made efforts to distribute the burden of economic adjustment and the impact of the crisis as fairly as possible. During the first 2 years of my administration social policy was characterized by an assistance and compensatory nature.

In response to the problems we found we set into motion first the national food plan and then the social compensation plan, according to which 437 million colones were distributed in 1984. However, we were conscious of the fact that this compensation assistance program was to be implemented for a short period while we made structural adjustments in our economy. The social assistance program was expected to be a transitional phase while we sought self-sustenance for the underprivileged groups in Costa Rica's society. It was linked to the "let's return to the land" concept.

Along with the implementation of the compensatory assistance policy we began creating the institutional structure required to implement a social policy concept consistent with our efforts to revamp our economic model. We had to achieve efficiency in the use of resources and lower the cost to the state of implementing the social policy. Efforts in this direction allowed us to make important achievements, such as greater coordination among institutions to avoid duplications and to use scarce resources more efficiently, a precise definition of areas for priority social action, and impetus to social projects with the highest possible job-generation ratio and impact on our national production. These efforts were complemented by providing training to the public and private sector on organization and administration. We want to achieve social justice, not at the expense of production but through an increase in the workers' productivity and income. Let us go over our achievements under this perspective:

In the field of health and social security we established an integrated system of health services that covers the entire population of Costa Rica. The agreement for integration and coordination of services between the Costa Rica Social Security Institute [CCSS] and the Health Ministry in order to avoid duplications in services, cut down costs, expand coverage, and improve care was signed in December 1984. We are simultaneously promoting the participation of communities in solving problems in this field through health and social security boards that help with the supervision and implementation of health programs. Because of this effort, Costa Rica is now regarded internationally as a model in the field of health and social security.

Another aspect worth emphasizing is the revamping of the CCSS' finances. This administration inherited this important national institution with a large deficit and, what is worse, with a trend toward a worsening of its economic troubles in the future. Contributions were increased with the support of managerial sectors. Steps were taken to reduce expenses and increase the efficiency of the system. We managed to collect 96 percent of total contributions.

Additional resources were appropriated to increase pensions and the noncontributing system [regime no contributivo] was strengthened. The joint efforts of the Health Ministry, the CCSS, the National Institute on Alcoholism, and the Family Allocations Program allowed us to devote a larger share of resources to preventive medicine and nutrition programs. This explains why, despite the grave crisis endured by the country, the health and social security indexes remain among the most satisfactory in Latin America. Housing programs are regarded as a priority in the social field. Therefore several institutions have joined efforts to carry them out. The resources of several local and international financial middlemen, such as the national banking system, the National Insurance Institute, the CSS, the mutual savings and loan associations, AID, IDB, and the Central American Bank of Economic Integration, among others, were funneled to achieve three major objectives: housing solutions for families living in slums, reconstruction and remodeling of homes, and meeting the overall demand for housing.

Greater importance was attached to the first two. For this reason the declaration of an emergency which we made at the proper time referred to low-cost housing. We structured the consolidated program of housing of social interest with these objectives in mind. It seeks to consolidate, unite, and coordinate the state's economic, technical, and administrative resources to address this national problem. This plan involves 7 major projects that will generate approximately 7,000 housing units for workers and underprivileged sectors in rural and urban areas at a total cost of 1.6 billion colones.

We are promoting projects through which the housing problem is tackled in conjunction with the problems of increasing production, marketing, and stability of peasant groups. We are trying to make maximum use of materials and organizations in selected areas. Thanks to the institutional coordination we have achieved, the public sector earmarked approximately 3.5 billion [currency not specified] for 10,400 housing units during 1984. In addition, and also seeking to strengthen this sector, we have beenworking on a national housing code that I will soon have the honor and pleasure of sending to this Legislative Assembly.

The government's ultimate goal of attaining greater social justice by increasing production includes efforts by various organizations to solve social, training, and production problems. This has allowed us to strengthen what we have called the popular private sector, comprised of companies, production associations, labor unions, cooperatives, solidarity associations, community organizations, small businessmen's organizations, and craftmen's organizations. We hope to achieve in the near future an agreement regarding the creation of a labor economy sector, but we will exert ourselves so that the funds generated by legal revenues will be used to strengthen the popular private sector, the social base which will allow us to perfect the economic democracy. This is not a paternalistic social policy; it was warmly welcomed by the beneficiaries and the labor organizations. This has allowed us to initiate various production projects that have the dual function of creating revenues for the groups involved and cutting unemployment. It is important to note that social production projects absorbed during the last 3 years an amount in excess of 3 billion colones, mainly derived from national savings. The Social Compensation Fund has been the financial counterpart for a great number of activities in the social sector; it utilizes resources from several institutions for this goal.

This is the administration which has most advocated cooperativism. The cooperative movement is currently comprised of 220,000 members in 468 cooperatives, which participate significantly in the generation of jobs, production, and foreign trade. We are currently working on a cooperative analysis that includes not only economic and social aspects, but also institutional aspects. This will serve as the basis for the preparation of a development plan that will give coherence to policies for developing the sector. We are also promoting turning state-owned enterprises into cooperatives, such as the Tempisque Sugar Mill, Inc. Education and apprenticeship programs are aimed at maintaining formal education levels and strengthening informal instruction and techniques in sectors required for the country's future development. The education and human resources sector was created for this re son. The Education Ministry, the National Apprenticeship Institute, the Labor Ministry, the Municipal Development and Counseling Institute, the National Institute of Cooperatives Development, the Center for Cooperatives' Education and Training, the General Directorate for Family Allowances and the Culture, Youth, and Sports Ministry joined their resources in this education, training, and productivity effort. An important achievement in this sector, in which the Education Ministry played a very important role, was the textbook program which included the writing and publication of 12 books for first, second, and third grades. In sum, we will distribute 1 million textbooks. In addition, I sent to the Legislative Assembly a general education bill to improve the structure responsible for the country's education and adjust it to meet the damands of present and future development.

Under the responsibility of the National Apprenticeship Institute, we sought to strengthen and diversify technical education in the country's various regions in accordance with the characteristics of these regions and the needs of the productive processes. The National Institute of Cooperatives Development and the Center for Cooperatives' Education and Training also initiated courses on cooperative training and signed agreements with the State University Extension and the Central American Institute of Business Administration to train approximately 3,800 cooperative leaders in managerial aspects.

My commitment regarding moral and ethical values: Regarding the struggle to reinforce the moral and ethical values of public administration, I must say that it was a banner we brandished and now, far from changing my mind or regretting having done so, I feel very pleased, not only because of the actions taken to guarantee honesty through law but because of the effective steps that the people are aware of and that demonstrate our seriousness in this area. It isn't a case of listing why the government had to adopt this behavior. Various situations that show the implementation of this pledge are clearly known to the people, and they had already found the channels prescribed in the law. We have only to note the law on illegal enrichment promoted by this administration and in full effect now. This law shows that our main objective was to maintain the virtues of Costa Rican democracy. This is our key legal contribution to the solution of the problem which, although viewed as draconian by some, is the groundwork for an unconditional struggle against disorder, corruption, and government vices.

The eradication of administrative corruption is only a part of the eradication of man's natural vices. However, these are not causes but effects of the quality and expectations of life which in many aspects was degraded by precarious conditions, greed, ignorance, lack of respect, abuses, ambition, venality, lack of love, mockery, opportunism, frivolity, and, in sum, the advanced deterioration in our condition as human beings and excessive lifestyles that serve only to deteriorate our humanity. For this reason, as the electoral campaign advances, the attacks on our administration have increased. We are accused of a degree of corruption never seen before. In the face of this attempt to discredit us, which has no validity, we have courageously admitted the evidence concerning each case, but only those which seriously and legally allowed us to apply the appropriate punishment. However, we firmly reject the political-electoral attempt to say that the degree of corruption is now worse than in the past. We maintain, on the contrary, that this struggle against these evils has never before been so thorough and determined. Every charge made has been heard and investigated in a preliminary way by officials of the executive branch and then turned over to the Comptroller General's Office, the Attorney General's Office, the Judicial Investigation Agency, or the Prosecutor's Office depending on the case. We have never interfered in these investigations, much less exerted pressure on the courts when they are dealing with the case of any official who has been denounced. The citizens who learn of irregularities or crimes and report them for investigation are doing the right thing. All we ask is that you act objectively and abide by the law. But, truthfully speaking, it must be said that the name of a person or the honor of an official have been marred often just out of ill will or for political-electoral reasons.

There have also been cases of officials who have been taken to court and whose cases have been thrown out of court because of lack of evidence, or the defendants have been declared innocent. But the ruling does them no good because the damage to their good name has already been done publicly. We can state categorically that the government's top officials cannot be accused of connivance, complicity, or covering up in any case of irregularity, insurrection, or dishonesty. In addition, we can show to the people a credential, which very few in the country's political history can match: the president of the republic is not linked to any enterprise or group of enterprises and has never, before taking office or during his time in office, intervened in any dealings.

I urge honest citizens to maintain a watchful attitude, especially in regard to those of us who hold posts of responsibility in the public administration. I also urge the people to decide which accuser has moral authority and which does not.

More democracy and greater participation of the people in public decision is the goal I proposed to my compatriots on the path to progress in peace and liberty. I am pleased to confirm that the institutions of democracy have been strengthened in this term. The consolidation of social peace and the state's external peace is an impressive achievement, particularly within the framework of the political and security crises rocking the Central American isthmus.

I have faithfully fulfilled my commitment to democracy. The proclamation of a perpetual, active, and nonarmed neutrality was a crucial decision in the formulation and application of Costa Rica's policy of peace in the face of the Central American crisis. All the people support neutrality. Neutrality forsakes the development of offensive capacities and promises to strengthen the country's defensive capacity.

We decided not to take sides in the war among other states, and we reaffirm our inalienable right to ligitimate defense. We are firm advocates of the moral, ideological, and polotical arena. We are militants of Western democracy. The value of our peaceful services as mediators and humanitarians is increasingly recognized. We are neutral because we are courageous. Those who go to war are almost always victims of fear.

The mechanisms of public security have been strengthened in this term. Budget resources are used more efficiently, without increasing the number of police forces. We have fulfilled our commitment with our compatriots of the northern region to guarantee fair access to radio and television for everyone, thus strengthening civilian society without increasing the size of the state apparatus. We have completed the program to recover radio communications sovereignty. Since I assumed our government's leadership 10 radio stations and 4 television transmitters were installed for public service in that area. Several institutions have cooperated in the realization of this national goal under the political orientation of our Secretariat for Communication and Information. These communities, which comprise our democratic border, are now better integrated with the rest of our country.

The people are participating increasingly in democratic institutions. New unions, solidarity organizations, and cooperatives have been created, bringing us close to our goal of democratizing the economy. Costa Rica's democratic process, which is about to complete its first century, rests on a vigorous regime of public opinion. We all enjoy unrestricted freedom of expression. That constitutional right has become a reality for an increasingly larger group of citizens with the creation of new means of information, which contributes to guaranteeing the democratization of our communcations. Seeking to underscore the value of our freedom of expression, I decided to honor each year a citizen who has distinguished himself in the exemplary exercise of this fundamental human right. In 1984 I granted the Freedom of Expression Golden Award to a Supreme Court of Justice judge. He was the judge who drafted the decree ordering the president of the Republic to turn over a confidential work document to the opposition leader at the Legislative Assembly. From our post in government we contribute to broadening our freedom of expression in all its dimensions.

An immigration bomb of Central American people who have been expelled from their homelands by the war have tested Costa Rica's humanitarian tradition. We have registered more than 20,000 refugees and more than 200,000 Central Americans in our territory; approximately 150,000 of these have no documents. The government is exerting itself to treat innocent victims of intolerance and violence as humanely as possible. We have created an office for the defense of human rights, and we have modernized our services for immigrants and foreign citizens. We have the support of friendly governments and international organizations.

The government has maintained its active support for the Contadora Group and has recognized the enormous efforts exerted by the Governments of Mexico, Panama, Colombia, and Venezuela in the search for a durable and stable peace in the region. Their concern to find effective solutions to the Central American crisis, which has become a difficult and prolonged task that is not always fully understood, compromises our gratitude and political recognition. Our participation has advocated, among others, these basic aspects: A) Every democratic process must fully ensure the citizens' participation in every nation's political system through the vote, in periodic elections, as the only instrument for free self-determination. B) The people have a right to participate in public affairs, either directly or through representatives who have been chosen and appointed through free elections, guaranteeing their right to found and comprise political parties. C) Human rights must be promoted and respected because they represent the basis of any social order.

Based on its experience and these orientations, Costa Rica presented various proposals that are now included in the revised version of the Contadora Group's document for peace. Our responsibility toward the Costa Rican people and given the critical situation in Central America have prompted the government to maintain correct relations with Managua, despite the constant tensions that have characterized bilateral relations between our governments during this period. Throughout the last year our relations with Nicaragua have gradually deteriorated despite our efforts. We have warned that the dialogue has been exhausted and observe with concern the loss of its credibility, to the extent that it has become a wasteland which has not produced the normalization of our ties. However, we are aware that the specter of an open war looms over Central America, and a bilateral situation could become the spark that ignites the general confrontation. We have much more to lose, so we have exerted ourselves to the utmost, seeking formulas that will allow us to restore dialogue.

Our relations with Nicaragua reached their lowest point when the government authorities broke their international pledges and flagrantly violated the right to diplomatic asylum that Costa Rica had granted to a Nicaraguan citizen and violated the immunity of our mission. This senseless attitude by the Nicaraguan Government, which sought to counter one of the bases of the Costa Rican foreign policy -- and perhaps the greatest American contribution to our modern international laws -- harshly tested our capacity for negotiation and international action. We sought, unsuccessfully, through a bilateral dialogue, satisfaction for the offense inflicted. When we saw that this possibility was no longer viable, we resorted to international forums, presenting our legal demand and proving the justness of our argument.

The prestige of our voice, which we recovered in the international community, achieved the desired results when the OAS Permanent Council and the Contadora Group, which acted on a request by the OAS, listened to and understood our denunciation and satisfactorily resolved the issue.

Costa Rica's resourceful and effective defense of the right to diplomatic protection has revealed that we followed the correct path when we used firm and determined dialogue to present and defend our stance. With the meekness that has characterized our actions in the search for regional peace we showed that negotiation is still possible. In consequence, we presented this constructive contribution to Central America's pacification. The country's adverse situation due to the internal strife and civil conflicts that afflict our Central American brothers has prompted us to make many efforts to guarantee Costa Rica's peace. We are not involved in the Central American crisis, but this crisis is a part of our problems. In a pilgrimage for peace, democracy, and development I visited 11 European nations and 6 international organizations in 1984. I visited Spain, Liechtenstein, the Netherlands, the FRG, Switzerland, Italy, Belgium, the Vatican, France, the United Kingdom, and Portugal, as well as the International Red Cross, the International Court of Justice, the ILO, the International Union of Telecommunications, the EEC, and the World Tourism Organization.

The appreciation of our representative democracy, our peaceful life devoted to development, and the strategic stability that we represent in Central America was confirmed again and again. Costa Rica's influence was demonstrated when, less than 3 months after I extended my invitation, the foreign ministers of the United Kingdom, France, Belgium, the Netherlands, Denmark, Luxembourg, the FRG, Ireland, Italy, Greece, Spain, and Portugal met in San Jose with their counterparts from Mexico, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Colombia, and Venezuela in the first meeting of European and Central American foreign ministers. The process of rapprochement, understanding, and support of the European democracies to the democratic forces that struggle for common ideals in Central America will soon crystallize in a second conference to be held in Europe. We are sons of Europe's culture, and we want Europe to be at our side in this hour of crisis for democracy, which is centered in Central America. The political fruits of the personal diplomacy I have carried out are many and will continue to be harvested for many years. The peaceful culture that we Costa Ricans have created and the deep-rooted democratic values of the people's spirit guarantee that our political development will continue uninterrupted, despite the vicissitudes and dangers of the present time.

With unrestricted freedom and the state's support, the political parties have initiated the electoral process to choose new government officials in February 1986. The government will make every possible contribution so these elections will constitute a true civic celebration and demonstration that democracy is feasible in Central America. It is only 4 years until the commemoration of the first century of democracy in Costa Rica. Together with the other public powers, the government plans to initiate as of now the preparations for this great occasion, unparalleled in most of the world's nations.

Messrs Deputies, I want to reiterate my sincere thanks to the Costa Rican people who, with their civic pride and working spirit, have made the arduous task of governing less difficult. Without the Costa Rican people's uprightness, understanding, civic maturity, generosity, and self-denial, my government could not have achieved so many goals and carried out so many works. The country continues its march toward the perfecting of its democracy. It has fully recovered confidence in its own ability to develop.

Due to the invaluable support of a special people who know very well that the homeland is entitled to all of its sons' sacrifices, this government has demonstrated -- in the midst of the severest crisis in our history -- that it is possible to conciliate social justice and personal rights.

Some dictatorial regimes, in arrogance and intolerance, cling to the idea that this conciliation is impossible. As we have seen, Costa Rica, conversely, is nearing final and definitive milestones in this fruitful search for harmony among all productive and social sectors. I am very pleased to express here my gratitude to friendly nations whose effective solidarity has allowed us to overcome obstacles and strengthen the purest values of our nationality. Without any resentment toward those who have fought me, I can assert that all that has occurred during this period confirms our people's democratic nature and their perfect victory over despotism and slavery.

The entire nation is witness to the splendid creative power of peace and freedom. Let's pray to God and work together so that this will always be so. Thank you very much, Messrs Deputies.

NICARAGUA

TUNNERMAN SAYS U.S. MAY BREAK DIPLOMATIC TIES

PA072140 Panama City ACAN in Spanish 2022 GMT 7 May 85

[Text] Managua, 7 May (ACAN-EFE) -- Carlos Tunnerman, Nicaragua's ambassador to the United States, stated today that the United States is studying the possibility of breaking diplomatic relations with the Sandinists. Tunnerman, who was recalled by the Managua regime for consultations, said during a news conference that Republican Senator Richard Lugar proposed the need to break relations between the two countries.

However, yesterday U.S. President Ronald Reagan ruled out that possibility during a meeting with Spanish Prime Minister Felipe Gonzalez.

The Nicaraguan diplomat stated that on Friday U.S. Senator Lugar said that the measures being considered do not reflect the United Nation's international legal norms. However, the Nicaraguan ambassador said that the members of Congress have a different viewpoint. They see these measures as inappropriate since they would hamper any dialogue between the two conflicting sides.

On 1 May in Bonn, President Ronald Reagan ordered suspension of commercial, air traffic, and maritime relations with Nicaragua to pressure the Sandinist regime into negotiating with the rebels.

Tunnerman also commented on Reagan's trade embargo labeling it "an undeclared war" against Nicaragua. He said that the sanction violates UN and OAS principles. The Nicaraguan diplomat stated: "The United States seeks to make Nicaragua comply with political criteria convenient for them. The United States wants to impose a neocolonialist situation on us."

Commenting on the abrogation of the 1958 Freindship Trade and Navigation Treaty, Tunnerman said that either party can end the treaty by giving 1 year's notice. Therefore, it will remain in force until 21 January 1986. Tunnerman said: "Nicaragua is perfectly entitled to demand the continuation of trade until 1 May 1986." Tunnerman added: "According to the treaty, neither party can impose restrictions or limitations on trade between the two countries," and that quite the contrary, there must be complete freedom in this area. Likewise, the diplomat stated that any dispute must be settled before the International Court of Justice at The Hague.

He concluded by saying: Despite this fact, Reagan rejected the jurisdiction of the international court when he learned that Nicaragua was going to present a claim at The Hague.

GOVERNMENT CALLS FOR GATT SESSION ON EMBARGO

AU071712 Paris AFP in English 1706 GMT 7 May 85

[Text] Geneva, May 7 (AFP) -- The Nicaraguan Government today appealed to the General Agreement on Tariffs and Trade (GATT) to summon a special session to consider the trade embargo imposed on Nicaragua by the United States, GATT sources said here.

A GATT spokesman said the meeting would probably take place some time this month. Observers here said the regular monthly meeting of the GATT council could simply be moved ahead a few days in May.

In another move, Nicaragua called on the Permanent Secretariat of the 25-member Latin American Economic System [SELA], a body designed to bolster economic cooperation among Latin American states, to hold an emergency meeting on the U.S. sanctions.

The request is based on Articles 112 and 113 of the system that condemn coercive measures against member states and call for counter-measures.

RAMIREZ ON AREA ECONOMIC MEETING, REAGAN COMMENT

PA071347 Managua Radio Sandino Network in Spanish 1215 GMT 7 May 85

[Text] The revolutionary government will convoke a meeting of the Central American economy ministers to discuss how the economic measures imposed on Nicaragua by the Reagan administration will affect the integration of Central American trade, Acting Nicaraguan President Sergio Ramirez Mercado stated last night.

[Begin recording] [Ramirez Mercado] We plan to hold a meeting with the Central American economy ministers. We are about to send a mission headed by the Nicaraguan deputy foreign trade minister for integration to the Central American countries. He will meet with the various economy ministers, briefing them on the effects these measures will have on Central American integration. An attempt will be made to find joint solutions to the problem.

[Reporter] Dr Ramirez, President Reagan said in Bonn that he feels he is a Nicaraguan Miskito, parodying what Kennedy said 22 years, that he was a Berliner. What is your view on this statement?

[Ramirez Mercado] Those are phrases Mr Reagan uses to dramatize the absurd positions he is attempting to maintain against Nicaragua. I don't think any Miskito feels proud of the fact that Mr Reagan has said he is one of them. Miskitos are Nicaraguans as I am, and I do not feel proud of that comparison.

[Reporter] What is the military situation in northern and southern Nicaragua at this time?

[Ramirez Mercado] The military situation is at an unprecedented high. We have dealt sharp blows to the counterrevolutionary forces.

Today the Interior Ministry will release an important communique reporting 43 counterrevolutionary casualties scored during special operations. The counter-revolution has been unable to consolidate forces in any territory, their strategic command plan has collapsed, and their forces have returned to their sanctuaries in Honduras, where they are surely preparing a return that will be defeated. [end recording]

GOVERNMENT TO TRANSFER TRADE OFFICE TO CANADA

PA071652 Madrid EFE in Spanish 1628 GMT 7 May 85

[Text] Ottawa, 7 May (EFE) -- The Nicaraguan Government will transfer its commercial office from Miami to Canada, Mayra Celedon, Nicaraguan commercial attache to Ottawa, has told EFE. The transfer of the office, which will be in charge of handling all Nicaraguan exports to and imports from North America, had been in the making for 3 years, but the commercial embargo decreed by U.S. President Ronald Reagan has precipitated its transfer to the city of Toronto, Mayra Celedon explained. This office will be in charge of channeling normal trade with Canada plus opening up new markets in this country for exports that Nicaragua had made up to now to the United States, and seeking new suppliers for products it had imported from the United States. The Nicaraguan Government will finalize in the next 48 hours the necessary steps with the Canadian authorities for opening its commercial office in Toronto.

VICTOR TIRADO ADDRESSES WORKERS ON EMBARGO

PA071419 Managua Radio Sandino Network in Spanish 1209 GMT 7 May 85

[Text] Commander of the Revolution Victor Tirado Lopez yesterday urged the working class to comply fully with the 12 points set forth by the FSLN to defeat imperialism's economic and military aggression. The message, addressed to activists of several workers organizations who gathered at the headquarters of the Sandinist Central Organization of Workers to commemorate the 40th anniversary of the defeat of fascism, urged all Nicaraguans to unify their efforts to fight fascism and the impositions of the U.S. Government, without political distinctions.

[Begin recording] The working class must understand the full implications of these economic measures imposed by the United States against the Sandinist revolution. They will unbalance our economic system, but you must not be frightened by them. You must tackle them as one more revolutionary task. They will add many serious problems to those we already have. I say this because some opposition sectors believe they can be solved by delivering simplistic speeches.

The economic machinery will be shaken. We must adapt it to the new situation. If the Soviet working class was able to adjust its economic machinery to the demands of the war, I believe that the Nicaraguan working class, in unity and alliance with the peasants, is capable of readjusting Nicaragua's economic machinery to the new circumstances of the economic and military war imposed on us by the Reagan administration. It is a task that the working class, the FSLN, and the revolutionary government will fulfill. We urge other political forces to accompany us in this great task. We urge them to join us to defeat and eliminate this economic aggression. This is a time for unity around production and defense. There is no middle ground. Any political force that is discussing other political lines outside the one we are advancing will only be playing into the hands of the Reagan administration.

The Reagan administration has advised us in an official note to surrender. They have promised to call off the embargo if we capitulate that is not a principle of the working class. The working class will never surrender so that the embargo will be lifted. We will lift it through the international solidarity of the workers' movement and the cooperation and help of the world's revolutionary, progressive, and democratic governments, particularly those of Latin America. This is a transitional phase that will last until we obtain help and cooperation from the international community, particularly Latin America. This is a phase of survival that must be advanced at any cost. It is a phase during which the revolution and the political power of the workers and peasants must be consolidated. [end recording]

POLITICAL PARTIES DEMAND MEASURES TO COUNTER EMBARGO

PA042104 Managua BARRICADA in Spanish 3 May 85 p 8

[Text] Leaders from the Popular Social Christian Party [PPSC], the Nicaraguan Socialist Party [PSN], the Independent Liberal Party [PLI], and the Marxist-Leninist People's Action Movement [MAP (ML)], agreed to demand implementation of emergency measures to counteract the trade embargo imposed by the U.S. administration against our country. The representatives of the first three parties also supported in different ways a call to form a union of democratic and patriotic political forces to prepare a joint plan of action for the defense of the fatherland and its national sovereignty. Meanwhile, the MAP (ML) said that worker-peasant alliance is the only alternative for the defense and deepening of the revolution.

Mauricio Diaz, president of the PPSC, said the response will come from the political parties legally represented at the National Assembly during the discussions to prepare the draft of the Republic's constitution. Meanwhile, Gustavo Tablada, assistant general secretary of the PSN, noted that "the government must call on the political, patriotic, and democratic forces to prepare a joint plan of action for the defense of the fatherland and its sovereignty."

While the Conservative Democratic Party [PCD] stated that the trade embargo will be discussed by the National Executive Council, which is meeting today, Juan Manuel Gutierrez of the PLI demanded the establishment of measures for the economy's defense.

Carlos Lucas of the MAP (ML) described deepening agrarian reform, planning land usage, and using machinery to promote the people's self-sufficiency in food production as concrete measures.

"In response to the imperialist economic embargo, measures must be adopted to defend the economy," Dr Juan Manuel Gutierrez of the PLI said, while Carlos Lucas of the MAP (ML) said that the only alliance possible in Nicaragua to face the aggression is the worker-peasant alliance, in defense of the revolution and its deepening. The liberal politician described the measure as "an act that hinders the country's subsistence," and said that the private sector will be the most affected because its way of living and acting is based on a trade exchange with the United States. He added: "It does not only affect the government, it also affects the people because it closed the market for dollars, which we use to make purchases in other countries."

Carlos Lucas said: "It is even contradictory that Reagan adopted this measure when 60 percent of the production of wealth is in the hands of the private sector, and the sector's accumulated capital will be affected. However, those who will bear the brunt are the masses and the working classes."

Gustavo Tablada, a PSN leader, stated that the measure will not only affect the private sector "which already has its capital abroad," but "the evil intention" is to lead the Nicaraguan people to starvation. "They will kill them with hunger or with bullets," he said.

Meanwhile, Mauricio Diaz, president of the PPSC, said that the response to the "repressive actions of punishment" will come from the National Assembly, where the new political constitution will be discussed. "The measure forces political organizations to act more seriously in promoting the revolution's democratic institutionalization," he pointed out after stating that "the Sandinist government must not fall into the trap by taking hasty steps such as nationalizing our sources of production." It must "implement the revolution's basic principles."

PRESIDENT ORTEGA CONTINUES EAST EUROPEAN TOUR

Issues Statement in Hungary

PA071530 Managua Radio Sandino Network in Spanish 1200 GMT 7 May 85

[Text] Nicaraguan President Daniel Ortega reaffirmed during his visit to Hungary Nicaragua's unyielding position in the face of the U.S. Government's threats and pressures. In statements issued to the press prior to his departure, Commander Ortega stated that relations between Hungary and Nicaragua are exemplary, because Hungary and Nicaragua are sister nations and their peoples share the same interests and goals. During this visit we have met with Bulgarian [as heard] Government and party leaders to exchange views on the domestic situations of the two countries, the international situation, and the bilateral relations that are being developed, the Nicaraguan leader said. Commander Ortega indicated that Hungary has reaffirmed its ties of cooperation with Nicaragua despite the difficulties and problems that country is experiencing. On Nicaragua's position regarding the economic blockade imposed by the Reagan administration, the Nicaraguan president said that despite Nicaragua's efforts to normalize relations with the United States, that country is conducting a reckless and irresponsible policy in Nicaragua because it is intent on destroying the Sandinist revolution. While the United States has been promoting terrorism, death, murder, crimes, and destruction in Nicaragua, the USSR has been promoting cooperation on many levels to benefit the Nicaraguan people, Commander Ortega said.

Welcomed in Czechoslovakia

PA062019 Managua Radio Sandino Network in Spanish 1200 GMT 6 May 85

[Text] Prague -- Local newspapers today welcomed Nicaraguan President Commander Ortega Saavedra, stressing that his visit will serve to further strengthen the ties between the two countries and the moral, material, and political support that Czechoslovakia has always given the Sandinist revolution. Daniel arrived in Prague on the eve of the implementation of the U.S. trade embargo against Nicaragua, which has generated a wave of protests from every corner of the world. The Nicaraguan revolutionary leader's visit includes a work meeting this afternoon with Czechoslovak President Gustav Husak, in which the statesmen will study bilateral matters and the international situation, stressing, of course, the situation created for the Nicaraguan people by the Reagan administration's economic and military aggressions. Upon his arrival Commander Ortega placed a wreath on Zizkov Hill before the unknown soldier's grave and that of the first laborer President Klement Gottwald. The Czechoslovak newspaper carried front-page coverage of cables responding to the aggressions the United States has been carrying out since the day the Sandinist people's revolution emerged victorious, 19 July 1979. They also carried cables rejecting the economic embargo, which goes into effect tomorrow, Tuesday. The papers also state that Czechoslovak Prime Minister Lubomir Strougal congratulated the Sandinist leaders 1 day after their victory and restored relations with Nicaragua, which had been interrupted since 1938. The Nicaraguan president will receive many demonstrations of solidarity from the Czechoslovak people during his 2-day visit.

Prague, Warsaw Coverage

For Prague and Warsaw media reportage of the visits to Czechoslovakia and Poland by President Daniel Ortega, see the Czechoslovakia and Poland sections of the 7 May Eastern Europe DAILY REPORT and subsequent issues.

UN SECRETARY GENERAL ACCEPTS CASTRO'S INVITATION

FL080109 Havana Television Service in Spanish 0000 GMT 8 May 85

[Text] Accepting an invitation from Cuba's President of Councils of State and Ministers and Commander in Chief Fidel Castro, Javier Perez de Cuellar, UN secretary general, will soon pay an official visit to Cuba.

TV TO BROADCAST ARRIVAL OF MILITARY ADVISERS

FL021805 Havana Television Service in Spanish 1700 GMT 2 May 85

[Text] This afternoon, the Cuban television will broadcast the arrival in our country of 100 Cuban military advisers, part of the contingent offering internationalist cooperation to the Sandinist People's Army. This group returns definitely from Nicaragua after honorably fulfilling the assigned mission and because of the decision adopted by the government of that brother country.

CASTRO VISITS HEALTH TECHNOLOGY EXPOSITION

FL271910 [Editorial Report] Havana Television Service in Spanish at 1700 GMT on 27 April carries a recorded 10-minute color report on a visit by Cuban President Fidel Castro to the International Show on Medical Technology, Health for Everyone, at Havana's Palace of Conventions.

The report's opening shot shows Castro talking with an exhibitor at the show. Castro is surrounded by reporters and other people, including alternate Politburo member Vilma Espin, who is accompanying him on the tour. Camera cuts to Castro talking and joking with another exhibitor. Camera then cuts to Castro puffing a small cigar and talking with people, some of whom are reporters. He praises the exhibits saying, "Anyone can see that it would be much better to dedicate men's resources and talents to producing medication, medical equipment, and to produce health and well-being for the people of the world than to produce weapons, rockets, and nuclear bombs, and to prepare for 'star wars' and such things." Castro says, "I believe our slogan should be, 'Be up to date on everything regarding medicine.'" After he discusses Cuba's medical aid to Third World countries, he urges the reporters to quote him correctly. They thank him and the report ends.

RAMIREZ CRUZ, TORRALBA PRESIDE OVER COOP MEETING

FL071806 Havana Television Service in Spanish 1144 GMT 7 May 85

[Text] Jose Ramirez Cruz, alternate member of the PCC Politburo and president of the ANAP, and Diocles Torralba, minister of the sugar industry, have presided over the second national meeting of sugarcane cooperative members, which was held in the (Jacan) movie house, in San Miguel de los Banos, Matanzas Province.

U.S. TRADE EMBARGO AGAINST NICARAGUA DENOUNCED

FL031403 Havana Domestic Service in Spanish 1045 GMT 3 May 85

[Station commentary]

[Text] The total trade blockade decreed by the United States against Nicaragua is an illegal act of economic aggression. It has been rejected by world public opinion, and constitutes a dangerous precedent that prepares the way for an armed invasion of that Central American country.

In flagrant violation of international norms, the total embargo on trade with Nicaragua and other measures adopted by the Reagan administration deprive that country of its right to freely sell products to, and buy products from, the United States or any other state that follows the dictates of the imperialists. What is more, the U.S. President says he will not recognize the jurisdiction of the International Court of Justice at The Hague if Nicaragua presents a complaint to the United Nations regarding the U.S. trade embargo against that country.

As if this proof of scorn for international law were insufficient, the U.S. State Department called upon other satellite countries to join the illegal embargo against Nicaragua to make the blockade even more effective against the Sandinists, whom they are uselessly trying to defeat with hunger. Nevertheless, the reaction of world public opinion to Washington's measures has not to date been supportive of the hostile plans drawn up on the shores of the Potomac.

In the FRG, ecologists, social democrats, and liberals have criticized the measure and exhorted the Bonn Government and the governments of other Western European countries not to join the boycott. The Spanish chief executive also spoke against any blockade against Nicaragua. The Australian prime minister has announced that Canberra will not second Washington in this adventure. And the British opposition has rejected the act of reprisal, calling it a measure of financial terrorism.

The trade blockade is Reagan's bullying response to the refusal of the legislators to approve funds to increase the activities of the counterrevolutionary mercenaries who are carrying out CIA plans against Nicaragua. It is, at the same time, a new and dangerous step in his aggressive escalation against that Central American country, which is now going through the phase immediately prior to direct military intervention by the imperialists.

Perhaps the most realistic view of the matter published by the European press is provided by the Parisian newspaper LE MONDE, which says that a quarter century afterwards, Washington is committing the error of repeating its policies of the 1960's, when U.S. measures helped radicalize the Cuban process.

When he made these decisions, Reagan turned his back on reality. He forgot about the international support the Nicaraguan cause has, which support has been manifested by the solidarity of progressive and democratic forces worldwide. He forgot about the support of the Nonaligned Movement, and the ties of friendship and internationalist cooperation with the countries of the socialist community, which are being reiterated at this very moment with the visit of President Daniel Ortega.

Reagan's pathological hatred of Nicaragua, the aggressions, and these new hostile measures will not make the Nicaraguan people retreat. The sons of Sandino have demonstrated they do not fear the blockade or aggression. They prefer to die standing rather than live on their knees.

BRIEFS

ELENA GIL DEAD -- The funeral of Elena Gil, who died Friday of a brain hemorrhage, is set for this afternoon. She was an anti-Machado fighter and trade union leader in the 1930's. [Summary] [Havana Domestic Service in Spanish 1000 GMT 27 Apr 85]

BRAZIL

ITAMARATY ISSUES STATEMENT ON U.S. EMBARGO

PY072130 Rio de Janeiro O GLOBO in Portuguese 7 May 85 p 6

[Note released by the Foreign Ministry in Brasilia on 6 May]

[Text] "The Brazilian Government has been following with extreme concern the aggravation of the Central American situation. In line with its position of respect for the principles of self-determination, of peaceful solution of controversies, and of non-interference, Brazil reaffirms its support for the peace efforts of the Contadora Group. In this respect, it does not support the adoption of unilateral sanctions that are not in keeping with the principles of international law and which recent history has proven to be ineffective, even in Latin America, nor does it support actions which are capable of placing the Central American crisis on the level of a global ideological confrontation.

"In the face of a possible deterioration of inter-American coexistence, the Brazilian Government renews its appeals for peace and strongly urges those states involved in the Central American crisis to seek a negotiated solution to overcome their disagreements."

DOMINICAN REPUBLIC

GOVERNMENT SEEKS COMPROMISE IN HOSPITAL STRIKE

FL071258 Bonaire Trans World Radio in English 1130 GMT 7 May 85

[Text] In the Dominican Republic, in a last minute effort to prevent a 72-hour public hospital strike, the government of President Salvador Jorge Blanco is trying to reach a compromise with labor leaders while launching a public opinion campaign against the movement. The Dominican Medical Association called a strike for today after the government said it would not comply with a wage increase previously agreed upon for 5,000 physicians. President Jorge Blanco's diagnosis of the problem is quite simple. He says the government has no money.

With television and radio ads, the government says that the strike will affect mostly the poor. But the main opposition leader, former President Joaquin Balaguer, said he favors the work stoppage because of the same reason. Mr Balaguer stated that the situation in public hospitals is intolerable because of lack of equipment, personnel, and low salaries.

PENA GOMEZ HOSPITALIZED FOR HEART FAILURE

FL071230 Bonaire Trans World Radio in English 1130 GMT 7 May 85

[Text] Thousands of people in the Dominican Republic, mostly members of the ruling Dominican Revolutionary Party, yesterday gathered near the premises and inside the hospital where the mayor of Santo Domingo, Jose Francisco Pena Gomez, is recovering from a heart failure. Mr Pena Gomez is reportedly in stable condition although still in the intensive care unit of the Abel Gonzalez Hospital, where he was admitted last Saturday. Mr Pena Gomez is also the chief of the Latin American Social Democratic Parties and has recently engaged in an effort to win the presidential nomination for the 1986 general elections.